America's Golden Girl

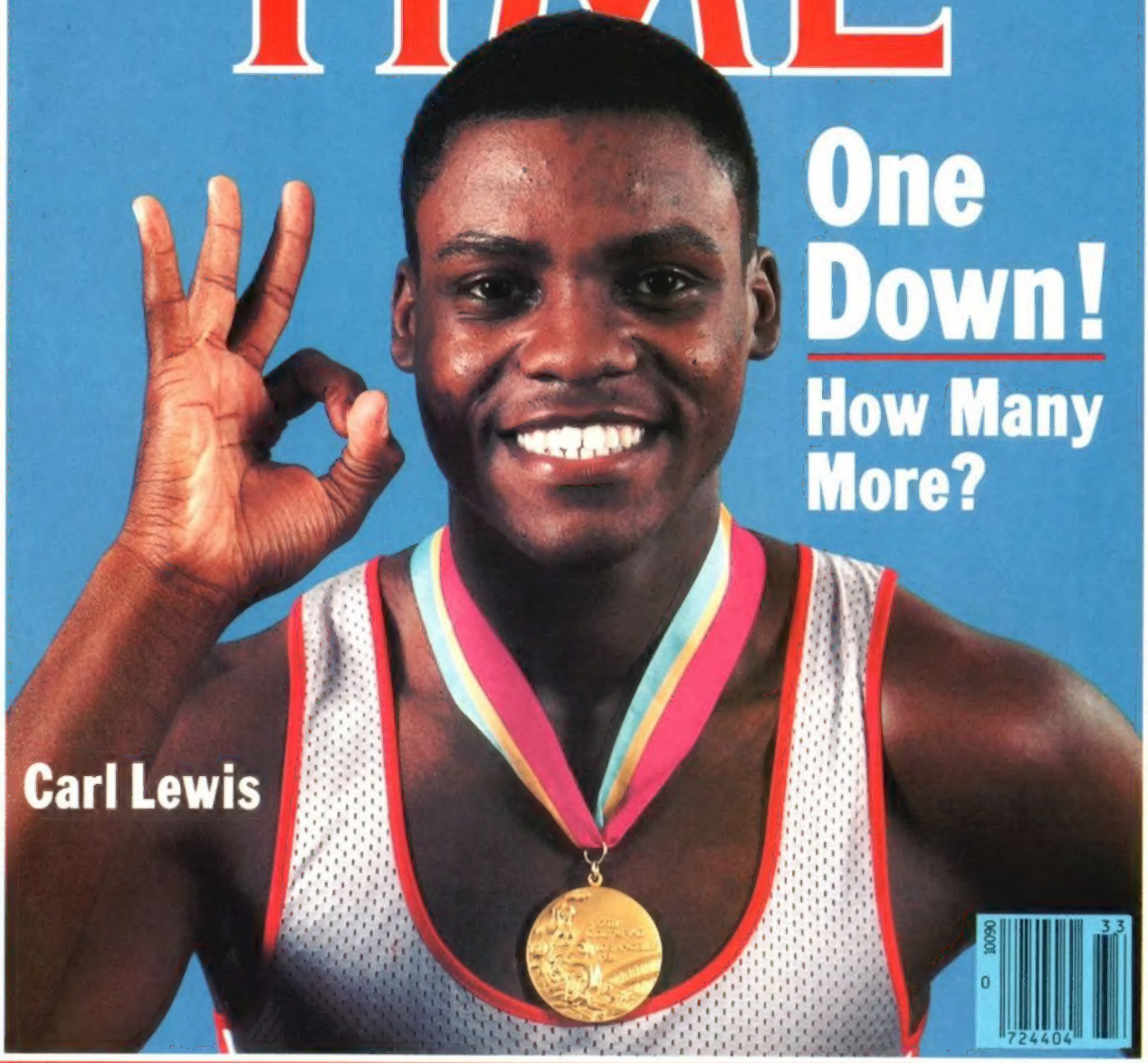
AUGUST 13, 1984 $1.75

TIME

SPECIAL REPORT

One Down! How Many More?

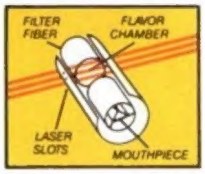
Carl Lewis



True Cracks Taste Barrier!

New True Laser-Cut "Flavor Chamber" Filter Improves Flavor...*Without Increasing Tar!*

Laser technology breakthrough



challenges taste of higher tar brands.

True Exclusive. A unique filtration system that delivers a flavor-rich tobacco experience at a mere 5 mg. tar. A taste satisfaction we believe challenges cigarettes containing up to twice the tar.

Regular: 4 mg. "tar", 0.5 mg. nicotine; Menthol: 5 mg. "tar", 0.5 mg. nicotine, av. per cigarette by FTC Method.

More Good News!
New True is packed with extra tobacco so you can enjoy it longer. Noticeably longer.

New Breakthrough True. *Why not test it against the only taste that counts? Yours!*

It tastes too good to be True.

New True BREAKTHROUGH

Warning: The Surgeon General Has Determined That Cigarette Smoking Is Dangerous to Your Health.

AUGUST 13, 1984

TIME

THE WEEKLY NEWSMAGAZINE

Vol. 124 No. 7

COVER: In the glitter capital, the U.S. gathers a cluster of gold

36

Almost too successfully for some tastes, America's Olympians flip, splash and pedal their way to an embarrassment of riches. From Gymnast Mary Lou Retton to Track Superstar Carl Lewis, the home team wins a slew of events, some for the first time ever. It is all so cheering that at times the chants of "U.S.A.! U.S.A.!" seem almost intemperate. *See* OLYMPICS.

NATION: Does the raging bull market mean better times ahead for the U.S.?

12

While Wall Street sizzles in the summer heat, the stock market catches fire and has its biggest day ever. ▸ With an eye on the coming election, Congress is absorbed in political gamesmanship. ▸ Richard Nixon, ten years after his resignation, continues to struggle for America's respect. ▸ The Democratic road show tours the South, but a beleaguered Bert Lance bows out.

WORLD: China and Britain make a deal on Hong Kong's future

24

In their 19th round of talks, the two countries are close to a "historic agreement" that should allow the colony to retain its free-wheeling capitalist style for at least 50 years after London turns sovereignty over to Peking in 1997. ▸ Responding to public pressure, the leaders of Israel's two main parties talk about a government of national unity. ▸ The Soviets chide East Germany.

Cover:
Carl Lewis by Neil Leifer ©Carl Lewis; Mary Lou Retton by James Drake (2) and John Iacono

TIME (ISSN 0040-781X) is published weekly for $46 per year, by Time Inc., 3435 Wilshire Blvd., Los Angeles, CA 90010. Time Inc. principal office: Rockefeller Center, New York, N.Y. 10020. J. Richard Munro, President; U. L. Uebelhoer, Treasurer; P. Peter Sheppe, Secretary. Second class postage paid at Los Angeles, CA, and at additional mailing offices. POSTMASTER: Send address changes to TIME, Time & Life Building, 541 N. Fairbanks Court, Chicago, Ill. 60611.

Designed to do everything a modern car should. It just looks better doing it.

Technology never looked so good.

Tempo, the car that combines form and function.

Tempo's aerodynamic shape manages the flow of air over and around it to reduce overall lift and improve stability and directional control.

Tempo technology includes features like front-wheel drive for all-weather traction, four-wheel independent suspension for a smooth ride, and a High Swirl Combustion engine for quick power response.

Tempo's new tach.

You can now get a new tachometer in your Tempo as part of the optional Sports Appearance Group. This option includes new low-back bucket sport seats, a sports instrument cluster, 3-oval sport steering wheel, contoured rear seat and package tray.

This Sports Appearance Group offers a sporty new flair for those who like their Tempo a bit more upbeat.

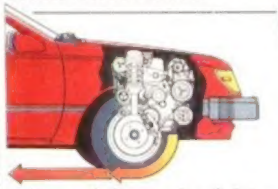
New diesel option.

Ford Tempo now has a new optional diesel engine.

It is a true diesel engine, not merely a modified gas engine. This new diesel has additional sound insulation. Cold weather starting problems usually associated with most diesels are eliminated. And, of course, it has strong diesel mileage:

41 EPA EST MPG* 56 EST HWY

Front-wheel drive.

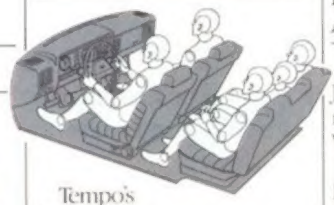


Tempo's front-wheel drive configuration is practical for all driving conditions. It gives you good traction in rain, snow and mud.

Tempo's front-wheel drive is powered by its own efficient High Swirl Combustion engine. And the whole operation is coordinated by the most advanced automotive computer in the world.

The EEC-IV. It monitors and controls engine operation precisely and instantly for optimum power output and fuel efficiency.

The inside story.



Tempo's five-passenger computer-refined interior has more room than a Mercedes 300D.

It provides an excellent combination of head, shoulder, hip and leg room.

Reduced insurance rates.

The Allstate Insurance Company offers reduced rates on collision and comprehensive coverages to Tempo owners, because of Tempo's construction with features like 5 mph impact bumpers.

Reduced rates are realistic testimony to Tempo's structural integrity.

Best-built American cars.

When we say "Quality is Job 1," we are talking about more than a commitment. We are talking about results.

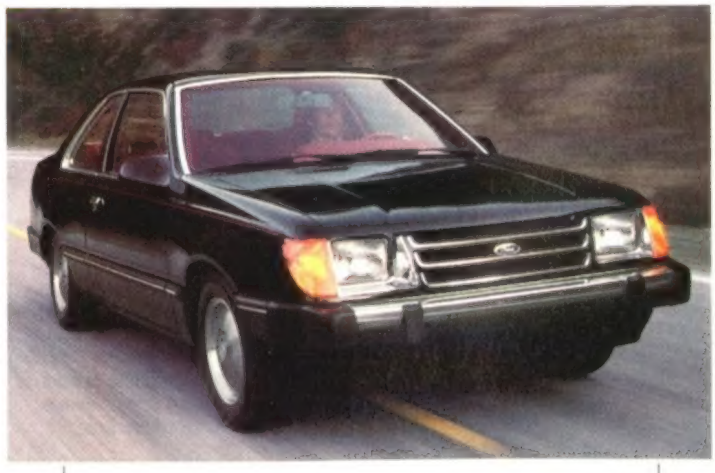
A recent survey concluded Ford makes the best-built American cars.

The survey measured owner-reported problems during the first three months of ownership of 1983 cars designed and built in the U.S., and the commitment continues in 1984.

Lifetime Service Guarantee.

As part of Ford Motor Company's commitment to your total satisfaction, participating Ford Dealers stand behind their work in writing with a free Lifetime Service Guarantee. No other vehicle company's dealers, foreign or domestic, offer this kind of security. Nobody.

See your participating Ford Dealer for details.

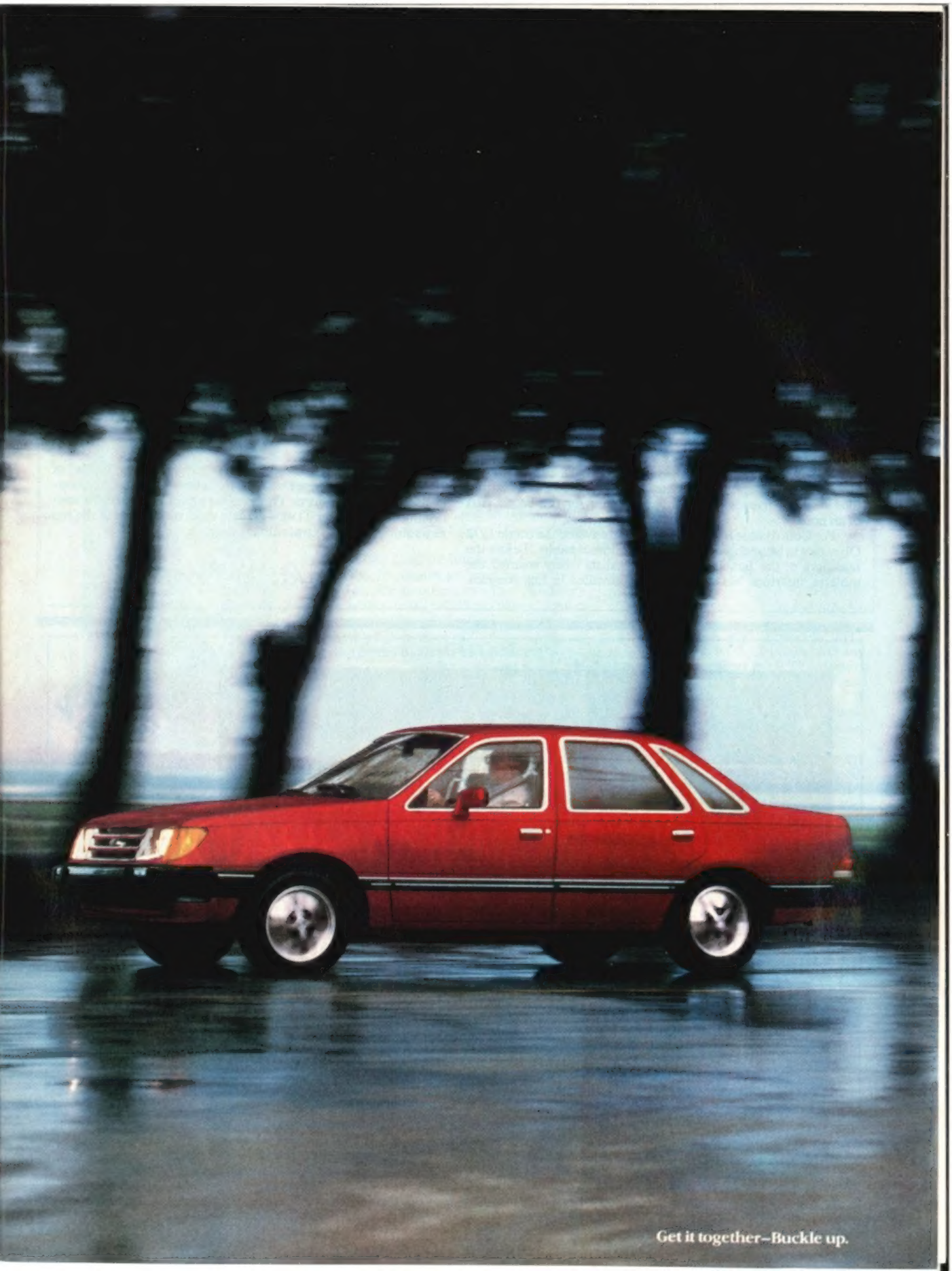


*For comparison. Your mileage may differ depending on speed, distance and weather. Actual highway ratings will probably be lower. Not available with A/C.

Ford Tempo

Have you driven a Ford... lately?

Ford


Get it together–Buckle up.

A Letter from the Publisher

Everybody seemed to be catching Olympic fever last week, participants and spectators alike. Veteran journalists, including TIME's expanded team of 38 correspondents, writers and photographers in Los Angeles, were no exception.

Correspondent Steven Holmes has been reporting on the preparations for the Games for more than a year, including our October 1983 cover story on how the Olympics were being financed. "I confess," says Holmes, "I am a certified Olympic nut. I knew it when I walked into the Coliseum for the opening ceremonies. I was with Hurdler Edwin Moses, whose journey was interrupted every few steps by people wanting to take his picture—not only spectators but other athletes, all wanting to preserve the special moment."

JOHN IACONO

Holmes and Skow at Olympic swim stadium

Los Angeles Bureau Chief Benjamin Cate caught his touch of Olympic fever at a TIME reception in Beverly Hills for the opening of the Games. There he was privileged to perform an unusual introduction: "We had invited Bill and Evelyn Lewis, Carl's parents, and Mrs. Ruth Owens, widow of Jesse Owens," Cate recalls. "They had never met, but they greeted one another like long-lost friends and chatted together for the better part of an hour."

For Contributor John Skow, who had covered the tragic 1972 Olympics in Munich, comparisons were inescapable: "Before the massacre of the Israeli athletes, journalists freely roamed the athletes' quarters. No such freedom prevailed in Los Angeles. But despite the restrictions, security officials were unfailingly courteous."

Atlanta-based Correspondent B.J. Phillips, a member of the TIME contingent that covered the Winter Games in Sarajevo as well as the 1980 Winter Games at Lake Placid, marveled at the resilience of the American athletes, particularly the gymnasts. "It was old home week for me in Pauley Pavilion," says Phillips, who has been following U.S. gymnastic progress since the 1979 World Championships in Fort Worth. "It was all the more bittersweet because I had gone to Moscow to cover the 1980 Games they could not attend. After the men's team victory, I talked to Bart Conner. There is no hug as bone-crushing as that of a gymnast capable of hanging motionless in an iron cross. 'It wasn't easy to wait so long,' I said to him. 'Yes,' he replied, 'but aren't you glad we stayed to see this day?' "

■ ■ ■

This week TIME is once again giving its readers a "bonus" of additional editorial pages because we believe a major event warrants such special efforts. This bonus-page plan is part of a continuing effort to offer TIME's readers unique coverage of the top news stories in this extraordinary year.

John a. Meyer

Letters

Veep Ferraro

To the Editors:

Exciting days lie ahead in this presidential election year. Geraldine Ferraro [NATION, July 23] is a bright, articulate woman and a tough campaigner. She will make the people of this country proud to have her as a vice-presidential candidate.

William F. Barnes
Sheffield Lake, Ohio

I expected Ferraro to be a brassy, pushy New Yorker. After hearing her speak, I became an excited supporter. She has charisma, compassion, the ability to laugh at herself and a human touch that the Republican women in government lack.

Hanna J. Johnson
Atlanta

In November, Walter Mondale will learn how few of his fellow Americans want a woman a heartbeat away from the most important job in the world.

John H. Morris
Richmond, B.C.

The gushing over Ferraro's virtues suggests that Mondale expects to be swept into office on Ferraro's petticoat, a triumph of lingerie over logic.

Sigmund Lance Ross
New York City

Despite the kiss of the beautiful political princess, the toad remains a toad.

John C. Schiro
Camp Hill, Pa.

The 1984 Democratic Convention once again proves that men can exploit women to advance their own careers.

Paul Benjamin Crilly
Las Cruces, N. Mex.

Gerry will be Fritz's Folly.

Carl A. Miller
Bucyrus, Ohio

When Mondale is defeated in November, one thing should be made clear. His defeat will occur not because he chose a woman running mate, but in spite of his putting a woman on the ticket.

Howard L. Christensen
Manhattan Beach, Calif.

Those who see Ferraro's nomination as the beginning of the end of male domination in politics are probably the same people who believe that if everyone laid down their arms, aggression would end. This is a serious misreading of the human condition as well as of history.

James S. Karpiak
Ocean Grove, N.J.

In picking Ferraro, Mondale caved in to the threats and pressures from pro-abortion, pro-lesbian, militant feminists.

(The Rev.) John Putka
Cincinnati

I would never vote for any woman for Vice President. Not one has the necessary experience, nor could she be tough enough under stress. That is one job that still belongs to a man.

Vilma Smith
Atwater, Calif.

TIME cites Ferraro's stand, of being personally against abortion but accepting pro-choice for others, as an act of bravery. In reality it is typical of those Catholics who put their political aspirations above their religion. How can we trust someone who denies her faith for ambition?

David E. Baldwin
Philadelphia

I like Mondale's V.P. choice a lot more than I did Carter's.

Al Seltz
Fergus Falls, Minn.

I will not vote for a woman running for public office until 50% of the armed forces are female.

Brad Crattie
Knoxville, Tenn.

Ferraro has set back the image of women at least 20 years. She was taken on as running mate to be the cheerleader. I would call the ticket Walter Mundane and Ms. Rah Rah.

Cornelia Tinkler
Piqua, Ohio

I feel emancipated.

Linda Shayne
Santa Monica, Calif.

America will have truly reached the age of enlightenment when Representative Geraldine Ferraro runs against Transportation Secretary Elizabeth Dole for President.

Ruth Migdal
New York City

Why are Americans so apprehensive about a woman Vice President? The golden eras of England's history were under two women: Queen Elizabeth I and Queen Victoria, who reigned over the largest empire the world has ever known.

Vatsala Mehta
New York City

Voters may worry because Ferraro has no experience in foreign affairs. Ronald Reagan also had no background in international relations when elected.

Jane Rose
Denver

The obvious Democratic ticket for 1988: Ferraro-Feinstein.

Carole Tremblay
Vaudreuil, Que.

History shows that women can be just as devious, stubborn and incompetent as men.

Peter F. Wagner
Key West, Fla.

The lady has class.

Dennis Davin
Salt Lake City

Waiting Game

I have found the perfect solution to waiting [ESSAY, July 23]. It is prayer.

Ruth Dodson
Fairfax, Va.

Many people, when they find themselves with time on their hands, will say, "I have some time to kill." This remark expresses a subtle form of suicide. Spend time, yes. Kill time, never.

Sarah R. Levinson
Tucson

At the age of 64, I have taken on this attitude when having to stand in line: life is short; waiting in line makes it longer.

Albert Leon Wilson
Brockton, Mass.

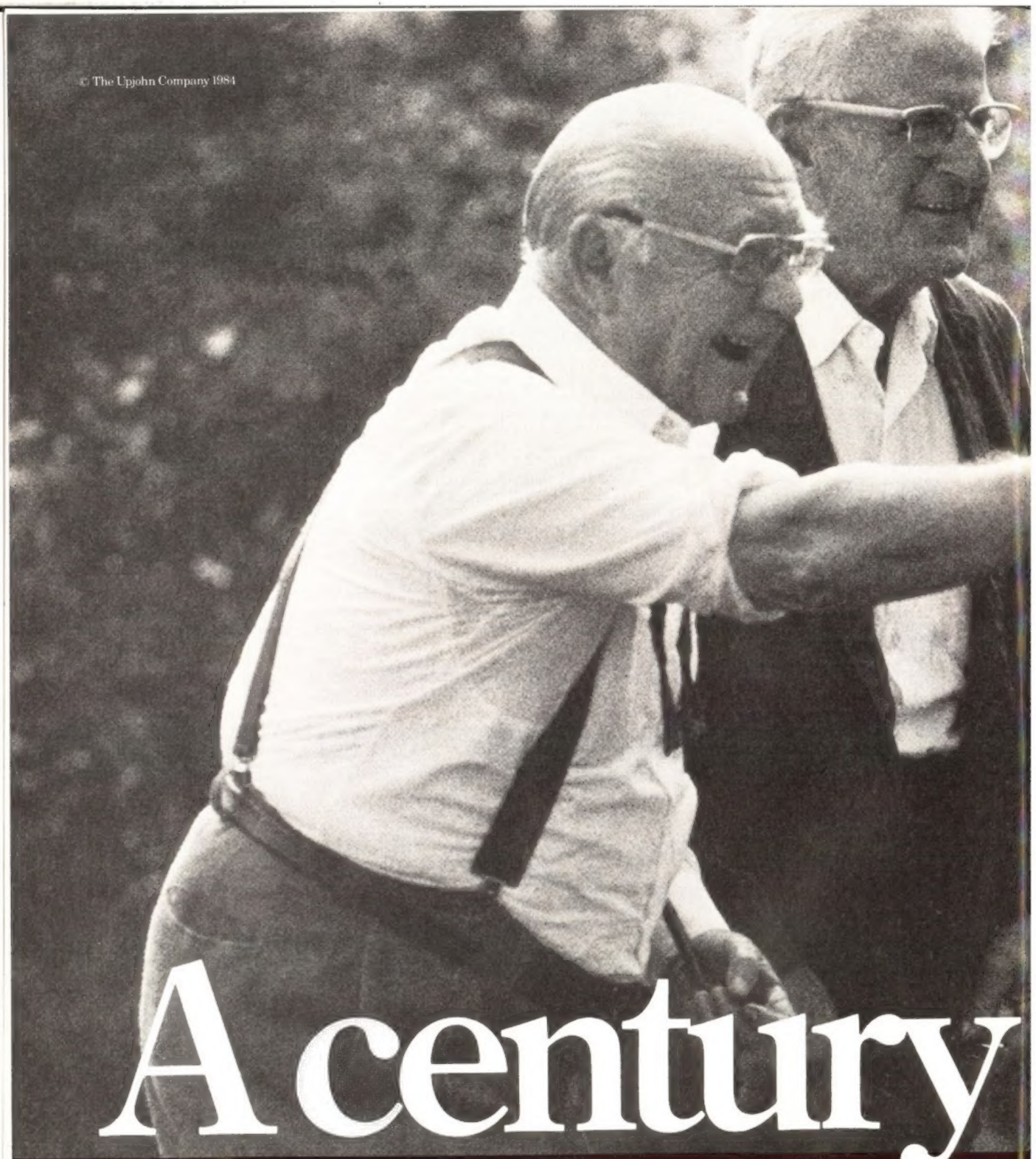
Divine Lightning

So the disgruntled vicar John Mowll is suggesting the heavenly bolt that apparently caused the fire in York Minster [WORLD, July 23] was a manifestation of God's displeasure over the installation of liberal Bishop David Jenkins. But why would God cause such destructive retribution on a temple of worship? Should not the heaven-sent brand have struck Jenkins' own house, thus leaving no doubt as to God's intent? Perhaps God was having a bad day.

David R. Ruekberg
Amenia, N.Y.

Surely only an undiscriminating God would have damaged such a priceless monument. He could as easily and more economically have removed the offending cleric by a fall downstairs.

Sybil Ramsing
Easton, Pa.



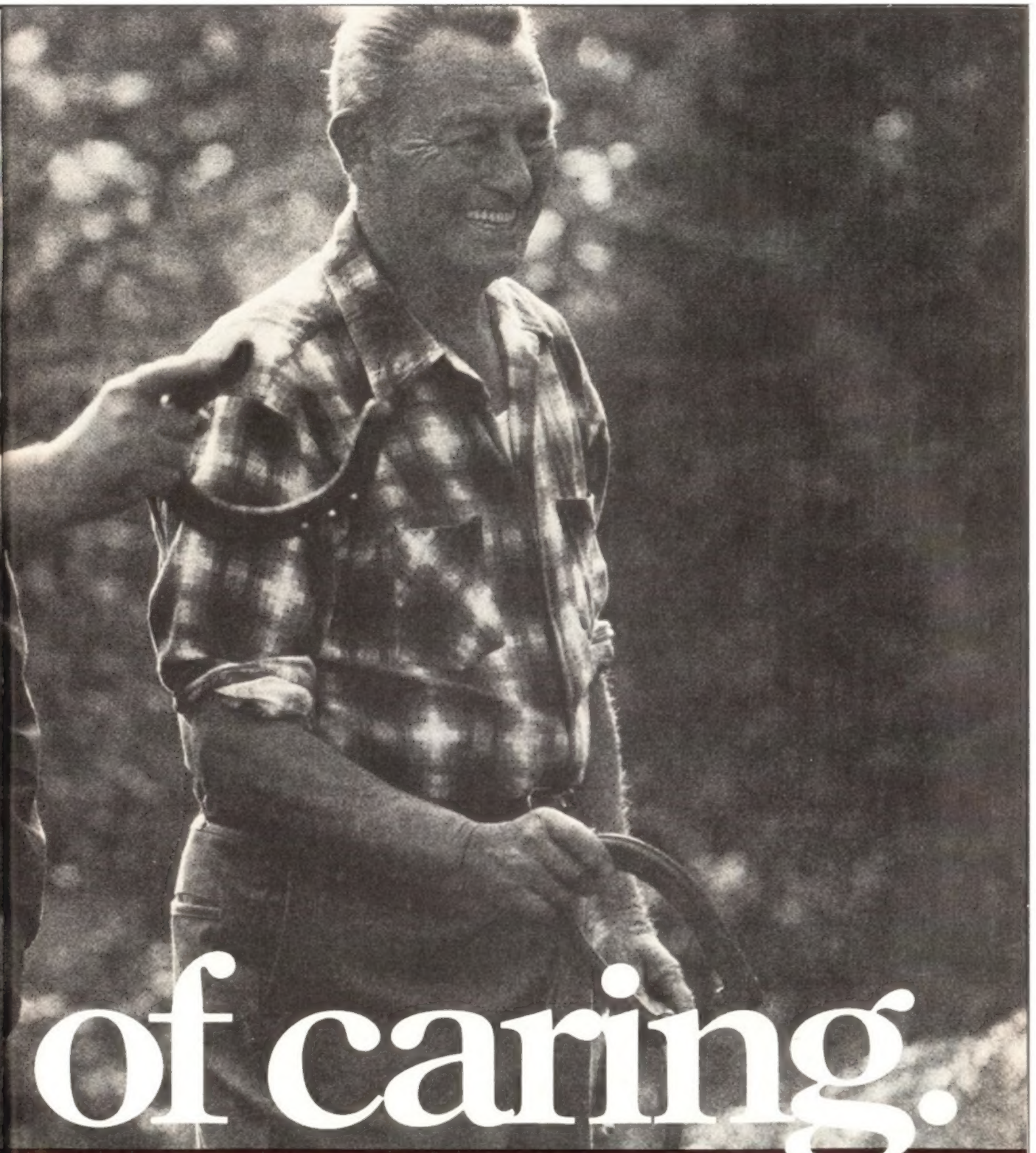
A century

How Upjohn research and the physician's understanding join hands to help fight the battle against arthritic pain.

The destruction wrought by arthritis can be an agonizing process. It can transform a once vital, vigorous person into one who moves cautiously in a world clouded with pain.

To the people at The Upjohn Company, the battle against this world of pain is a primary task. And one that is shared with the physician.

Arthritis has not one, but many forms. An important first step for any possible sufferer is to be aware of the complexities of the disease and to seek a professional diagnosis.



# of caring.

Only a physician has the understanding to properly diagnose and treat the many-sided symptoms of arthritis.

And while doctors are constantly keeping abreast of recent developments in arthritis treatments, Upjohn researchers are probing deep into the mechanism of the disease itself.

At Upjohn, our long-range goals reach far beyond temporarily arresting arthritis and its symptoms.

New knowledge about cells is pointing the way to actually modifying the disease through immunology.

So instead of alleviating arthritic pain, we could end up eradicating it.

For nearly 100 years, The Upjohn Company has looked to the future and found answers to "impossible" questions. Looking for more will make our second century of caring even more exciting than the first.

For booklet "What You Should Know About Arthritis," write CARING, Dept. AT, P.O. Box 2497, Kalamazoo, Michigan 49003.

Upjohn

Letters

A's and *An*'s

Shouldn't your cover [July 23] have read "An Historic Choice," not, as you have it, "A Historic Choice"?

David MacMillan
Stuart, Fla.

Tsk. Tsk. Tsk. Shame on you, TIME. "A Historic Choice" indeed.

Ann K. Smith
Fort Wayne, Ind.

Appalling. Who dropped the *n* in the *An* on your cover? Teachers everywhere are groaning. Those of us who used to look to TIME for decent editing have given up in disgust.

William E. Bolster
Rowayton, Conn.

Don't give up. TIME *is correct. "A Historic Choice" is proper. According to H.W. Fowler's* A Dictionary of Modern English Usage, "An *was formerly usual before an unaccented syllable beginning with* h *(an historian). But now that the* h *in such words is pronounced the distinction has become anomalous and will no doubt disappear in time. Meantime speakers who like to say* an *should not try to have it both ways by aspirating the* h."

Thank you for setting an example and using correct English.

Carol Layman
North Vernon, Ind.

Full of Air

The controversy over air bags in passenger cars [NATION, July 23] brings to the forefront the fact that Americans do not place a high priority on life. Eighty-five percent of us are not even willing to use the seat belts that are already in our cars. In addition, we spend millions on alcoholic beverages and tobacco, which are injurious to our health. If Americans were really concerned about their well-being, they would quit smoking, give up drinking and buckle up.

Stewart M. Lee, Chairman
Department of Economics and Business Administration
Geneva College
Beaver Falls, Pa.

I propose spending our money not on air bags, but on mandatory driver training and yearly driver tests. As one who travels thousands of miles a year on America's highways, I can tell you that I am less afraid of the few drunken drivers on the road than I am of those who cannot drive when they are sober.

Steven D. Katz
Budd Lake, N.J.

LETTERS TO THE EDITOR should be addressed to TIME, Time & Life Building, Rockefeller Center, New York, N.Y. 10020, and should include the writer's full name, address and home telephone. Letters may be edited for purposes of clarity or space.


★MONDAY AUGUST 13 ON ABC★
A MAJOR TELEVISION EVENT
CALL TO GLORY
abc CHECK YOUR LOCAL LISTING FOR TIME AND CHANNEL

YOU NEEDN'T MISS OUT ON PERMANENT PROTECTION JUST BECAUSE YOU THINK YOU CAN'T AFFORD THE PREMIUMS.

When it comes to purchasing life insurance, most people appreciate the advantages of permanent whole life protection. Yet some people feel they can't afford the premiums.

That's why Metropolitan has recently designed a new life insurance plan that makes permanent protection more affordable for more people. It's called Economical Premium Life, or E.P.L.,* our whole life policy with premium adjustment.

Metropolitan's E.P.L. gives you a substantially lower initial premium than most other permanent whole life plans. And you still get full guaranteed cash value and guaranteed protection.

Your E.P.L. initial premium is guaranteed for the first two years. Each year after that, while it could increase, it may go even lower. However, your premium can never exceed the guaranteed maximum rate.

E.P.L. is just one of a full line of Metropolitan plans designed to fit your specific needs. To determine if E.P.L. is right for you, just call your Metropolitan representative. Our trained professional will show you how to obtain all the protection you need for a lot less than you think.

Metropolitan Insurance Companies

METROPOLITAN REALLY STANDS BY YOU.

Life/Health/Auto/Home/Retirement

TIME

Founders: BRITON HADDEN 1898-1929 HENRY R. LUCE 1898-1967

Editor-in-Chief: Henry Anatole Grunwald
President: J. Richard Munro
Chairman of the Board: Ralph P. Davidson
Corporate Editor: Jason McManus
Executive Vice President: Kelso F. Sutton
Senior Vice Presidents, Magazines: Philip G. Howlett, James O. Heyworth

MANAGING EDITOR: Ray Cave
EXECUTIVE EDITORS: Edward L. Jamieson, Ronald Kriss
ASSISTANT MANAGING EDITORS: Walter Bingham, Richard Duncan, John Elson
INTERNATIONAL EDITOR: Karsten Prager
SENIOR EDITORS: David Brand, Martha M. Duffy, William F. Ewald, José M. Ferrer III, Walter Isaacson, Stefan Kanfer, Donald Morrison, Henry Muller, Christopher Porterfield, Stephen Smith, George M. Taber
ART DIRECTOR: Rudolph Hoglund
CHIEF OF RESEARCH: Leah Shanks Gordon
OPERATIONS DIRECTOR: Gérard C. Lebèvre
PICTURE EDITOR: Arnold H. Drapkin
SENIOR WRITERS: George J. Church, Gerald Clarke, Otto Friedrich, Paul Gray, Robert Hughes, T.E. Kalem, Ed Magnuson, Lance Morrow, Frederick Painton, Roger Rosenblatt, R.Z. Sheppard, William E. Smith, Frank Trippett
ASSOCIATE EDITORS: Charles P. Alexander, Kurt Andersen, Patricia Blake, Tom Callahan, Richard Corliss, Spencer Davidson, John S. DeMott, William R. Doerner, John Greenwald, William A. Henry III, Russ Hoyle, Gregory Jaynes, Marguerite Johnson, James Kelly, John Kohan, John Leo, John Nielsen, Richard N. Ostling, Jay D. Palmer, Sue Rafferty, J.D. Reed, George Russell, Alexander L. Taylor III, Evan Thomas, Anastasia Toufexis, Marylois Purdy Vega, Claudia Wallis, Michael Walsh
STAFF WRITERS: Natalie Angier, Kenneth W. Banta, Janice Castro, Hunter R. Clark, Philip Elmer-DeWitt, Jay D. Garcia, Lloyd Garrison, Pico Iyer, Stephen Koepp, Jacob V. Lamar Jr., Elise McGrath, Sara C. Medina, Michael S. Serrill, Alessandra Stanley, Richard Stengel, Susan Tifft, Louisa Wright, Richard Zoglin
CONTRIBUTORS: Jay Cocks, Thomas Griffith, Charles Krauthammer, Melvin Maddocks, Jane O'Reilly, Kenneth M. Pierce, Richard Schickel, Mimi Sheraton, John Skow, Wolf Von Eckardt
REPORTER-RESEARCHERS: Rosemary Byrnes, Ursula Nadasdy de Gallo, Betty Satterwhite Sutter (Department Heads); Audrey Ball, Peggy T. Berman, Nancy McD. Chase, Oscar Chiang, Elaine Dutka, Georgia Harbison, Anne Hopkins, Nancy Newman, Jeanne-Marie North, Susan M. Reed, Victoria Sales, Zona Sparks, Susanne Washburn, Rosemarie Tauris Zalidov (Senior Staff); Peter Ainslie, Bernard Baumohl, Kathleen Brady, Richard Bruns, Robert I. Burger, Mary Carpenter, Valenice Castronovo, Helen Sen Doyle, Rosamond Draper, Kathryn Jackson Fallon, Mary Ann French, Cassie T. Furguson, John Edward Gallagher, Cristina Garcia, Nelida Gonzalez-Alfonso, Robert T. Grieves, D. Blake Hallanan, Michael P. Harris, JoAnn Lum, Judith L. Marrs, Kaushad S. Mehta, Katherine Mihok, Lawrence Mondi, Jamie Murphy, Adrianne Jucius Navon, Brigid O'Hara-Forster, Judith B. Prowda, Barry Rehfeld, Alfreda J. Robertson, Elizabeth Rudulph, Alain L. Sanders, Marion H. Sanders, David E. Thigpen, William Tynan, Sidney Urquhart, Jane Van Tassel, Linda Young
ADMINISTRATION: Martin J. Gardner, Charlotte J. Quiggle, Donald Sweet
CORRESPONDENTS: Richard Duncan (Chief); Dean Fischer, R. Edward Jackson, B. William Mader (Deputies) **Washington Contributing Editor:** Hugh Sidey **Diplomatic Correspondent:** Strobe Talbott
Senior Correspondents: Ruth Mehrtens Galvin, William Rademaekers, Sandy Smith, Peter Stoler, Frederick Ungeheuer
Washington: Robert Ajemian, Bruce W. Nelan, Sam Allis, Laurence I. Barrett, David Beckwith, Gisela Bolte, Jay Branegan, Douglas Brew, Anne Constable, Patricia Delaney, Hays Gorey, Jerry Hannifin, Carolyn Lesh, Neil MacNeil, Johanna McGeary, Ross H. Munro, Christopher Redman, Barrett Seaman, William Stewart, Bruce van Voorst, Gregory H. Wierzynski **New York:** John F. Stacks, Jonathan Beaty, Dorothy Ferenbaugh, Marcia Gauger, Barry Kalb, Timothy Loughran, Thomas McCarroll, Elizabeth Taylor, Jack E. White, Adam Zagorin **Boston:** Richard Hornik, Joelle Attinger, James Bell **Atlanta:** Joseph N. Boyce, B.J. Phillips, John E. Yang **Houston:** David S. Jackson **Chicago:** Christopher Ogden, J. Madeleine Nash, Lee Griggs, Don Winbush **Detroit:** Paul A. Witteman, Barbara B. Dolan **Denver:** Robert C. Wurmstedt **San Francisco:** Michael Moritz, Dick Thompson **Los Angeles:** Benjamin W. Cate, William Blaylock, Steven Holmes, Joseph J. Kane, B. Russell Leavitt, Melissa Ludtke, Richard Woodbury, Denise Worrell
Europe: Lawrence Malkin **London:** Bonnie Angelo, Mary Cronin, Arthur White **Paris:** Jordan Bonfante, Thomas A. Sancton **Bonn:** Gary Lee **Eastern Europe:** John Moody **Rome:** Wilton Wynn, Roberto Suro **Jerusalem:** Harry Kelly, David Halevy **Middle East:** Roland Flamini **Beirut:** John Borrell **Bahrain:** Barry Hillenbrand **Moscow:** Erik Amfitheatrof
Hong Kong: Sandra Burton, Bing W. Wong **Bangkok:** James Wilhelm **Peking:** David Aikman **Nairobi:** James Wilde **Johannesburg:** Marsh Clark **New Delhi:** Dean Brelis **Tokyo:** Edwin M. Reingold, S. Chang **Melbourne:** John Dunn **Canada:** John M. Scott, Ed Ogle **Rio de Janeiro:** Gann Scott **Mexico City:** David DeVoss, Ricardo Chavira, Janice C. Simpson **Caribbean:** William McWhirter, Bernard Diederich
News Desk: Suzanne Davis, Tam Martinides Gray, Susan Lynd, David Richardson, Jean R. White, Arturo Yáñez, Alison France, Blanche Holley, Ann Drury Wellford **Administration:** Emily Friedrich, Linda D. Vartoogian
ART: Nigel Holmes, Irene Ramp (Deputy Directors); Arturo Cazeneuve, Renée Klein, Leonard S. Levine, Anthony J. Libardi, William Spencer (Assistant Directors); Lily Hou, Laurie Olefson, John White (Designers); Rosemary L. Frank, Dorothy D. Chapman (Covers); Nickolas Kalamaras **Layout:** Burjor Nargolwala (Chief), John P. Dowd, John F. Geist (Deputies); Joseph Aslaender, Steve Conley, David Drapkin, Modris Ramans, Kenneth Smith, Barbara Wilhelm **Maps and Charts:** Paul J. Pugliese, E. Noel McCoy, Nino Telak, Deborah L. Wells
Special Projects: Tom Bentkowski
PHOTOGRAPHY: Michele Stephenson, Susan Jonas (Deputies); Demetra Kosters, Helen Eisenberg (Administration) **Researchers:** Evelyn Merrin, Richard L. Boeth, Anne Callahan, Martha L. Haymaker, Paula Hornak, Peter J. Kellner, Rose Keyser, Susan Lombardo, Eva Nutt Nies, Julia Richer, Carol Saner, Nancy Smith-Alam, Robert B. Stevens, Anne Stovell, Mary Themo **Photographers:** Eddie Adams, Hunter Bennett, Sahm Doherty, Rudi Frey, Arthur Grace, Derck Halstead, Peter Jordan, David Hume Kennerly, Neil Leifer, Ben Martin, Mark Meyer, Ralph Morse, Carl Mydans, Stephen Northup, Bill Pierce, David Rubinger, Ted Thai, Diana Walker, John Zimmerman
MAKEUP: Charles P. Jackson (Chief); Eugene F. Coyle (International); Leonard Schulman (Deputy); Peter J. McGuilan
OPERATIONS: Sue Aitkin (Deputy Director); Susan L. Blaw (Copy Chief); Stephen F. Demeter (Systems Manager); Lee R. Sparks (Production Chief). Eleanor Edgar, Judith Anne Paul, Joseph J. Scalfidi, Shirley Zimmerman (Deputies); Trang Ba Chuong, Gary Deaton, Suzi Romanik, L. Rufino-Armstrong (Supervisors); Frances Bander, Minda Bikman, Robert Braine, Madeline Butler, Bruce Christopher Carr, Joan Cleary, Barbara Collier, Kenneth Collura, Manuel Delgado, Sally George, Lucia Hamet, Evelyn Hannon, Garry Hearne, Judith Kales, Theresa Kelliher, Claire Knopf, Agustin Lamboy, Jeannine Laverty, Marcia L. Love, Helen May, Emily Mitchell, Gail Music, Linda Parker, Maria A. Paul, Alma Routsong, Megan Rutherford, Marcia Schlafmitz, Craig Sturgis, Ricki Tarlow, Walter J. Tate, Jill Ward, Alan Washburn
LETTERS: Joan D. Walsh (Chief); Isabel F. Koun (Deputy)
EDITORIAL SERVICES: Christiana Walford (Director); Peter J. Christopoulos, Benjamin Lightman, Alex Stack, Beth Bencini Zarcone

PUBLISHER: John A. Meyers
General Manager: Michael J. Klingensmith
Public Affairs Director: Robert D. Sweeney
Promotion Director: George P. Berger
Circulation Director: Robert D. McCoach
Business Manager: Arthur G. Sachs
ASSOCIATE PUBLISHER-ADVERTISING SALES DIRECTOR: Richard B. Thomas
U.S. Advertising Sales Director: John J. Crowley Jr.
Associate U.S. Adv. Sales Director: Charles D. Hogan

Frenetic activity at the New York Stock Exchange trading posts as the market closes out its busiest day: 236.6 million shares

TIME/AUGUST 13, 1984

Those Roaring Bulls

Signs of a cooler economy set off a record week on Wall Street

All day long, exuberant shouts and whistles exploded on the floor of the New York Stock Exchange. Tossed paper filled the air, and traders battled their way through small mobs to reach their posts. At midday the ticker slipped 13 minutes behind trading. In mid-afternoon brokers paused briefly to give a cheer when another record for market volume was broken. At one mad moment a message flashed across the exchange's electronic bulletin board that a planned fire drill was canceled because of the heavy trading. Roars of laughter mixed with the buy and sell orders.

Mostly it was buy. When the bell sounded to end trading at 4 p.m., John Phelan, the stock exchange chairman, appeared on a balcony above the exchange floor just as sustained cheering burst out, punctuated by yelps and Indian war whoops. Wall Street had just ended its busiest week ever, twice breaking records for trading volume as the Dow Jones industrial average surged ahead for an 87.46-point gain, the biggest weekly advance in history. "Nineteen years on the floor of the exchange, and I've never seen anything like it," exclaimed Daniel Pratt, a floor broker for Smith Barney.

Nor had anyone else. After moderately heavy trading on the first three days of the week, market volume on Thursday hit 172.8 million shares, smashing the previous one-day record of 159.99 million set on Jan. 5. The Dow Jones went up 31.47 points, the highest single-day increase in nearly two years. Then on Friday, traders came back ready for more. During the first hour after the market's opening, 72.6 million shares changed hands. By the end of the day, traders had obliterated their one-day-old record by exchanging 236.6 million shares. In the process they drove the Dow Jones up an additional 36 points. The Dow closed the week at 1202.08, its highest level since Feb. 2.

A Wall Street summer rally would seem to be just what the White House doctor ordered. For months Reagan Administration officials have been complaining that the financial markets were almost perversely ignoring the strong economic recovery. In some ways they were right. The U.S. economy today is perhaps stronger than it has been in two decades. Growth during the first half of the year was at an astounding annual rate of 8.8%, while inflation was a modest 4.1% on a yearly basis.

Nonetheless, Wall Street has insisted on going its own way. Since the first week in January, the Dow Jones has fallen almost steadily, from 1286.64 to a low point of 1086.57 on July 24. At each sign of a strong economy, the market seemed to drop defiantly. Economists study a myriad of obscure numbers to discern the state of the economy, but millions of Americans just look to the stock market—and what they saw did not jibe with the Administration's cheerleading. If the economy was so healthy, what was wrong with Wall Street?

The answer was that the financial world feared that Ronald Reagan's huge budget deficits would lead to rising interest rates and eventually slower growth. Wall Street does not live for tomorrow but for the day after tomorrow, and many investors did not like the higher interest rates and inflation levels they thought they saw ahead.

Then last week everything changed. Suddenly Wall Street was awash with optimists. "People are excited, very excited," said Michael Creem, vice chairman of the New York Stock Exchange. "They are smiling again after a long and difficult period." The Reagan Administration was also smiling. Said White House Spokesman Marlin Fitzwater: "It is the most important signal so far that the markets have some confidence in the long-term durability of the recovery."

Oddly, it was bad, or not so good, economic news that set off the August rally. The first poor report of the week was the announcement that the index of leading economic indicators, which attempts to predict the future performance of the economy, declined .9% in June, its first drop in nearly two years. That sign of

slowing momentum was reinforced by figures on factory orders and housing starts. Orders received by companies fell 1.4% in June. New-home sales edged up only a fractional .6%.

The worst economic news of all came on Friday, when the Bureau of Labor Statistics announced that unemployment, which had declined steadily since its recession peak of 10.8% in December 1982, jumped .4% in July to 7.5%. Experts were surprised by the sharp increase, which could either reflect weaker growth or prove to be a statistical anomaly.

Another downbeat sign was a report from the Census Bureau that the U.S. poverty rate rose from 15% in 1982 to 15.2% in 1983, its highest level in 18 years. The bureau said the number of poor people grew to 35.3 million last year, from 34.4 million, an increase it called "unexpectedly high." The rise contradicted predictions of Reagan Administration officials that the economic recovery would bring prosperity to all groups of society. Democrats were quick to use the report to go on the offensive. House Speaker Tip O'Neill called it a "smoking gun" that proves President Reagan's budget policies hurt the poor.

The stock market's leap forward in the face of such bad news reinforced Wall Street's reputation as a financial fun house, where nothing is quite what it seems to be. Yet there was a curious logic in the market's reaction. Said Barry Berlin, an executive with Shearson Lehman/American Express: "The slowdown in the economy was the catalyst for the rally because it reduced fears of still higher interest rates. Inflation has been well contained, and now investors perceive continued earnings progress without the hindrance of rising rates."

While moneymen were whooping it up on Wall Street last week, they should have offered at least a silent toast to a man who conducts his business some 230 miles away: Federal Reserve Board Chairman Paul Volcker. It was Volcker's testimony before the Senate Banking Committee two weeks ago that is credited with returning optimism to Wall Street. Volcker announced at the time that the Fed was satisfied with the current economic growth and the inflation outlook, adding that the central bank would not be tightening monetary policy any further. That was seen as a sign that borrowing costs are likely to stay steady, rather than rise, during the next several months. The stock market almost immediately headed up. It gained 10.38 points the day Volcker testified, and it hardly looked back last week.

Volcker's comments answered a question that has plagued investors and professional money managers for months: Just what will happen to interest rates? Since January the prime rate has moved from 11% to 13%, pushing up the cost of borrowed money. Market watchers have feared that the Government's need for funds to finance the deficit and the loan demand of corporations trying to keep up with the quickly growing economy would force the Federal Reserve to tighten the money supply. The result: higher borrowing costs, which would cause depressed corporate profits.

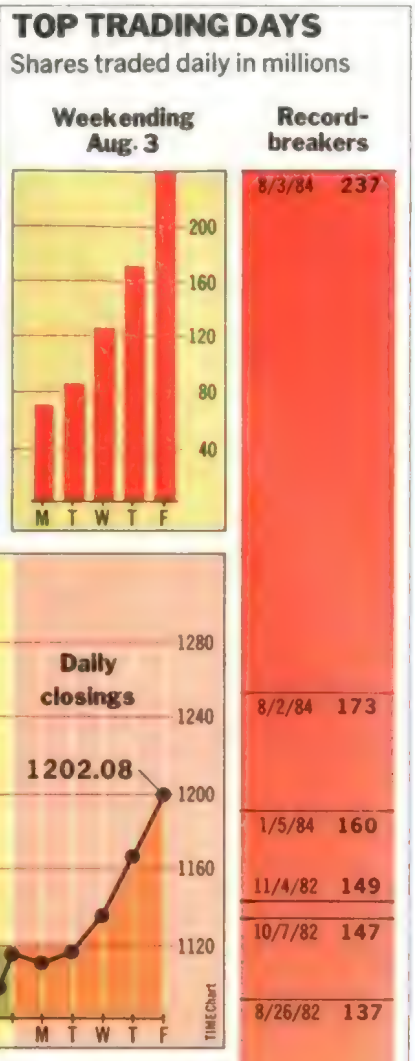
The relief felt in the financial community from Volcker's comments was strong. Bond prices have been tumbling for months as interest rates climbed, but they immediately picked up after he spoke. The strong bond market helped set the stage for the stock rally. With some top-grade corporate bonds paying 13%, there has been little incentive to invest in the shares of corporations, where the dividends are lower and the risk of potential capital loss much higher. But when evidence began to pour in that bond yields had at least leveled off and might fall, stocks suddenly became more attractive.

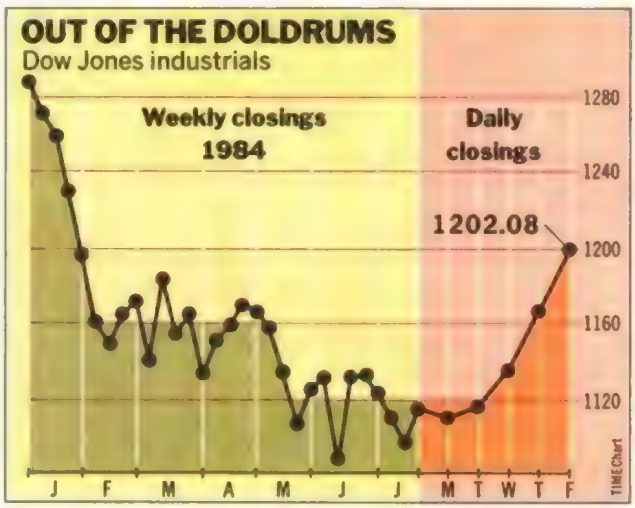
Leading the charge into stocks were pension funds and other large investors. For the past several months, as the market fell, they have been gradually selling shares. But last week they moved back into stocks in a hurry, buying blue chips, transportation, technology and energy issues. Said Edward Yardeni, chief economist at Prudential Bache Securities: "What happened can only be characterized as a buying panic. Institutional investors decided they just could not afford to miss such a wonderful party."

Despite the excitement, market watchers were divided on how long the party would last. In the past their predictions have gone wide of the mark. A bull market began almost exactly two years ago on Friday, Aug. 13, when the Dow Jones stood at 776.92. The Dow went upward for ten months, until the middle of 1983, and forecasters confidently predicted it would reach 1400 or 1500. Instead, it then began drifting sideways. This year, while many money managers expected the market to pick up steam again, it sank instead. The price of an average share of stock on the New York Stock Exchange has fallen 25% this year.

The argument among investors and market watchers is whether they are witnessing just a brief spurt or a true second leg on the bull market that would take the averages even higher. John Paulus, the chief economist for Morgan Stanley, the investment banking house, had a note of caution. Said he: "The economy still has a good deal of upward momentum, which will have to be moderated by rising interest rates at some point. The gross national product rose 8.8% in the first half of the year and is now moving ahead at between 4% and 5%. That is still too rapid a rate to be consistent with stable inflation."

Others, however, were convinced that the summer rally will pay dividends in the fall. Robert Stovall, director of investment policy for Dean Witter, points out that during the past 38 years a summer rally has occurred 19 times, and the average gain has been 9.4%. From its low on May 29 of 1101.24, the market by the end of last week had risen just that much. In a few wild days, Wall Street had already enjoyed its summer rally. This week traders will try to push for new records. *—By Alexander L. Taylor III. Reported by Adam Zagorin/New York*

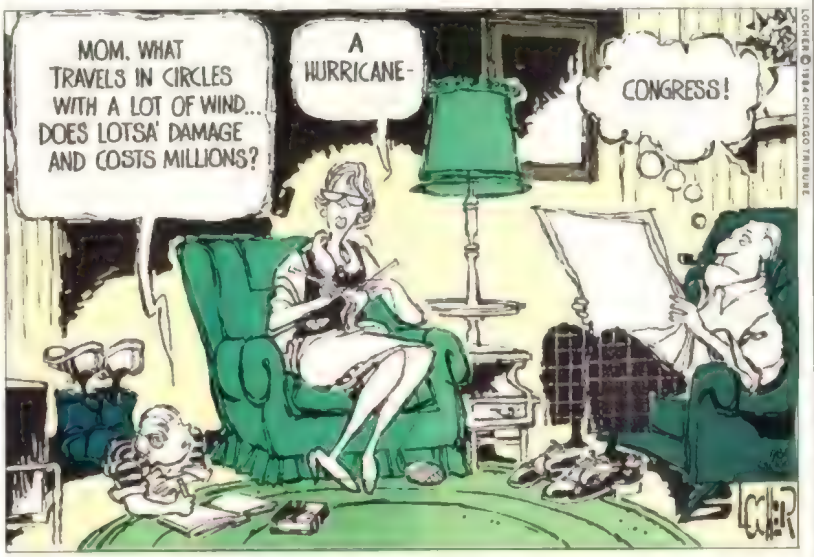




Posturing, Not Legislating

Congress puts vote getting above problem solving

The Democrats did it three weeks ago in San Francisco. The Republicans will do it in Dallas in two weeks. And during the interval, members of both parties in Congress are doing the same thing. Playing politics. With a vengeance. Even a Medici might marvel at the maneuvering on Capitol Hill, designed to take partisan advantage of every issue and to dazzle voters with a wondrous array of illusions and images. "Everyone is posturing," protests Democratic Congressman Leon Panetta of California. In the meantime, the legislators are willing to let the nation's urgent business be ignored.



One obvious tactic has been for each party to try to blunt any issue on which the other seems to hold an advantage. The Republicans, for example, know that most elderly people tend to have more confidence in the Democrats as protectors of their Social Security and other retirement benefits. Thus President Reagan announced at his July 24 press conference that he would ask Congress to pass legislation granting a cost of living adjustment (COLA) next year to Social Security beneficiaries even if inflation falls below 3%, which now seems possible. He did so although the bipartisan compromise package passed in 1983 by Congress to keep the program solvent stated that no COLA should be made if inflation is 2.9% or lower. Reagan lavishly praised the compromise package last year—and cavalierly broke its spirit last month. Since the COLA could cost up to $5 billion and will require a small payroll-tax hike, the proposal also violates Reagan's pledges to cut costs and avoid tax increases.

No matter, the Republicans argue. If Reagan had not suggested the adjustment for next year, Democrats would have led a move in Congress to pass such a bill this fall. The President would then have faced the choice of seeming to follow the Democrats' lead or casting a veto that would anger older voters shortly before the November election. "It was going to happen anyway," insists Republican Senator Robert Dole. "Now, politically, the President comes out ahead." Still, contends a House Republican leader, "it was a dumb move. He shouldn't have done it." It sends the wrong signal, the Republican explained, about the party's intentions to hold down Government spending.

The Democrats, too, are playing the game. They are acutely aware that their previous votes against a constitutional amendment to permit spoken prayers in public schools hurt them among Fundamentalist religious groups, particularly in the South, where the presidential election could be decided. Thus when Senate Republicans proposed a bill that would permit high school students to hold religious meetings before or after normal class hours if other student groups were granted similar use of school facilities, the Democrats voted overwhelmingly for it *(see box)*. They were also quick to approve a House Republican proposal to require schools to permit "silent prayer" by students. Since such prayer cannot be constitutionally banned, or even detected in many cases, the legislation changes nothing. But it allowed Democrats to claim, accurately, that they had voted for prayer in schools. "The public doesn't care about the nuances of what type of equal access or school prayer we voted for," contends Democratic Congressman Tony Coelho of California. "On any issue, it's important to take the sting out of it."

Even the urgent need to tackle the immense budget deficits is being overshadowed by symbolic strutting. The President and his party colleagues, authors of the biggest deficits in U.S. history, are touting a constitutional amendment requiring a balanced budget. Reagan recently revived the proposal after a two-year lapse, and a group of Republicans last week challenged the Democrats to permit the full House to vote on the amendment. The sponsors, however, were utterly at a loss to explain how the amendment would actually produce a no-deficit budget next year (Reagan's own proposals project a $180.4 billion deficit for 1985), except by instilling a somewhat mystical "discipline." Nor did Reagan clear the air much at week's end when he told his radio audience that he would veto any bill aimed at raising personal tax rates.

There is certainly merit in Reagan's argument that previous Democratic Administrations have created the costly entitlement programs that have contributed to the deficit. Yet, despite his 1981 promise to balance the budget within two years, Reagan has sent Congress three budgets so out of balance that not one Republican legislator has been willing to introduce them in committees. In the end, Reagan coaxed Congress to give him much of what he wanted, mainly in tax cuts and military-spending increases, but the debt racked up during his short tenure is fast approaching that of all previous Administrations combined. For a President to ask for a constitutional amendment to require him to do something he has not yet been willing to do, argues Democratic Congressman David Obey of Wisconsin, "is just another manifestation of hypocrisy."

Democrats know, however, that Reagan has them on the defensive and are ready to join the game, even to turn it deftly against the President. House Speaker Tip O'Neill tipped off the strategy by declaring last week, "Any day the President wants to send up a balanced budget, I guarantee I will get it on the floor within 48 hours." Democratic Congressman James Jones of Oklahoma, chairman of the House Budget Committee, introduced a bill that would require the President to submit a balanced budget by Oct. 1 of each year, the start of the Government's fiscal year. By no coincidence, that is just before the November balloting. The President would have to pinpoint the programs he would cut or the revenues he would raise to avoid a deficit.

In reality, neither Republicans nor Democrats expect to get these compulsory budget-balancing measures passed. Their only purpose is to fog the deficit issue in voters' minds, thus obscuring which party is responsible for what.

Despite the politics-above-all mood, even many Republicans deserted the White House in its attempt to bring Anne

Burford, the former Environmental Protection Agency administrator, back into Government as chairman of the National Advisory Committee on Oceans and Atmosphere. Forced to resign after charges of mismanagement and fostering a cozy relationship between her agency and polluters, she turned off many of her supporters by belittling her new job as a "nothing-burger." The Republican Senate joined the Democratic House in passing nonbinding resolutions asking Reagan to withdraw the appointment, which did not require Senate confirmation. Last week Burford decided not to take the unsalaried post, claiming that the "unwarranted furor" had done "grave disservice to your outstanding record on the environment." There was relief in the White House and in the Reagan-Bush re-election committee at her action, although one presidential adviser complained, "We hung with her all this time, trying to do something nice for her, and then she turns around and slaps us in the face."

In another diversion from more pressing matters, the Senate prepared to debate a meddlesome measure introduced by New York Republican Senator Alfonse D'Amato that would rename the site of the Soviet embassy in Washington Andrei Sakharov Plaza. While attempts to keep pressure on the Soviets to free the ailing dissident from confinement are laudable, even the State Department saw this one as a dubious and ill-conceived political ploy. State Department Spokesman Joseph Reap said the measure, which seems to have broad congressional support, might violate international agreements on protecting the dignity of foreign missions, lead to Soviet retaliation and prove counterproductive in freeing Sakharov. Said a disgusted U.S. diplomat of Congress: "Somebody ought to go up there and put a lock on that place."

Republican Senator Dole and Democratic Congressman Jones
Battling over ways to reduce the deficit.

Unfortunately, amid all the political partisanship and posing, the serious matter of just how to finance the Government for the current fiscal year got scant attention. Another victim of the pressures may be one of the most important reforms undertaken by any recent Congress: the Simpson-Mazzoli bill, which would try to bring some sense to immigration policies. Passed in both houses, but in different forms, it would grant amnesty to illegal aliens who can prove longtime residency in the U.S., and would apply penalties against employers who knowingly hire illegal aliens in the future. Mexican Americans in particular oppose the bill on the ground that employers, fearing fines or even jail, will refuse to hire all Hispanics, including American citizens.

Democratic Candidate Walter Mondale has promised to try to kill the bill. Reagan has said he finds the version passed by the House unacceptable because it includes an expensive, unlimited pledge by the Federal Government to reimburse states for the cost of the reforms. He told Republican Senator Alan Simpson of Wyoming that a flat $4 billion lump-sum grant might get his approval. "You give me that," Reagan told Simpson. "That can be an acceptable bill." The delighted Simpson passed this news to Speaker O'Neill, who replied, "Send the damn thing over. We'll go to conference." Despite the obituaries, the bill was thus not yet dead, but it was not healthy either. Only a starkly simple political reality had jeopardized the long-awaited attempt to do something about America's chaotic situation along the Mexican border: each party figures it had better win Texas if it is to have a good chance of winning the presidency in November; 20% of all Texans have Hispanic surnames. —***By Ed Magnuson. Reported by Laurence I. Barrett and Neil MacNeil/Washington***

Readin', 'Ritin' and Religion

It plucks all the right chords: God, church, family values and freedom. But there are some practical problems with the new "equal access" bill, which handily passed the Senate, 88 to 11, whisked through the House, 337 to 77, and is expected to be signed this week by President Reagan.

The bill, an amendment to a $1 billion education package, makes it unlawful for public high schools to bar student gatherings for "religious," "philosophical" or "political" meetings outside class hours. Several safeguards are designed to preserve the line between church and state. Meetings must be voluntary and student initiated. Proponents argue that the law would give students who wish to meet for religious purposes the same rights as students who gather for other reasons. Says Californian John Stoos, a regional director of the American Life Lobby: "It's surprising that we had to grovel for the same rights already given to Communists, Nazis and chess clubs."

Critics counter that students already have the right to pray voluntarily whenever they wish. Organized religious meetings, they note, could pressure students into conforming to practices that violate their consciences and could open a back door to school-sponsored prayer. Some fear the bill could turn classrooms into forums for fringe cults, such as the Moonies, and a variety of political and cultural groups, ranging from the Ku Klux Klan to gay rights organizations. A crush of meetings could strain budgets for maintenance and supervision. "The tragedy is that the President has been able to direct attention away from the real problems facing education to the non-issue of prayer in schools," says San Francisco School Superintendent Robert Alioto.

Praying at evangelical meeting

Some conservatives are concerned that the bill represents an abandonment of the principle of local control, an ironic posture for an Administration dedicated to limiting the intrusion of Big Government. "It tries to nationalize the kinds of problems that should be handled at the local level," declares Howard Hunter, an Emory University law professor.

There is confusion over the practical effects the law will have. Larry Foster, an attorney for the Clayton County school system, foresees few problems: "All this bill does is say to the religious folks, 'Hey, you can come in too.' " But Ralph Goldberg, a cooperating attorney with the Georgia branch of the American Civil Liberties Union, says he plans to use the law in his suit on behalf of the Atlanta Peace Alliance, which wants access to the city's schools. "The backers of this bill probably thought they were voting to put religion back in the schools," he notes. "But I don't know if they knew they were voting to put in my peace workers." Says Federal District Judge Marvin Shoob, who last year ruled in favor of an A.C.L.U. challenge to religious meetings that were being held in a suburban Atlanta junior high school: "The bill will create more problems than it solves. I expect to see a rash of lawsuits."

Nixon: "Never Look Back"

Ten years later, the only President ever to resign is still seeking a role

At 5 a.m. the sun is not even up yet. There is just the first yellowing grayness in the sky beyond the oak trees at the edge of the garden. But for Richard Nixon it is no time to be sleeping. He gets up early, as he always has. Up, up to shower, to shave, to reach for a fresh shirt and a necktie, always a necktie. Then he pads down the stairs of his 15-room, $1 million stone-and-redwood mansion to make his own breakfast: toast and coffee. His housekeeper is not awake yet, but the Secret Service men are, ready to accompany him on his two-mile walk around Saddle River, a wealthy enclave in northeastern New Jersey. There will be guards near Nixon for the rest of his life, but he professes not to worry about any lingering hostilities against him. "Never look back," he often says. "Remember Lot's wife. Never look back."

This is the way almost every day begins for Richard Nixon, now 71, the 37th President of the U.S. and the only one who demonstrably violated the law and resigned in disgrace. Since Nixon is a methodical man, his days pass in much the same way, and so, Thursday, Aug. 9, will probably be much like any other. But there must come a moment when Nixon remembers that this was the day, ten years ago, when he gave up the power and the glory that he had fought for all his life.

Ten years ago, that gray, haggard, jowly face appeared on the television screens of an avidly watching nation and announced the almost inevitable and yet unbelievable decision to resign. After two years of trying to escape the Watergate scandal—the bungled burglary at Democratic headquarters, and then the cover-up, the lies, the hush money, the demands upon subordinates to "stonewall"—Nixon finally invoked the language of Theodore Roosevelt to describe himself as "the man in the arena whose face is marred by dust and sweat and blood, who strives valiantly, who errs . . ." Next day, the official day of resignation, he was near tears as he bade his staff farewell. He talked about his mother, "a saint," and urged his followers to be charitable. "Others may hate you," he said, "but those who hate you don't win, unless you hate them, and then you destroy yourself."

Nixon seemed to have thoroughly destroyed himself when he flew off that morning into a self-imposed exile in Southern California. Though his resignation canceled the House Judiciary Committee's unanimous vote to impeach him, Nixon still faced a real danger of being indicted and imprisoned for obstruction of justice. A month after the resignation, President Gerald Ford granted Nixon a blanket pardon for any crimes he may have committed in the White House, but the U.S. public was less forgiving. Polls consistently showed that two-thirds of all Americans thought Nixon should not have been pardoned and should never again hold any public office. Visitors to his compound at San Clemente during those first months reported that Nixon was morbidly depressed, devastated, possibly suicidal.

ON LEAVING THE WHITE HOUSE

"Those who hate [me] don't win, unless you hate them, and then you destroy yourself."

Today the man whom the Watergate grand jury branded forever as an "unindicted co-conspirator" is rich, healthy and remarkably respectable. Apart from his $119,000 annual pensions and $300,000 in Government-paid expenses, his last TV interview cost CBS $500,000, and his last move from New York to New Jersey netted him a real-estate profit of more than $1.5 million. Though his wife Pat is in frail health after a second stroke last fall, Nixon is quite fit and chipper. Using a new Lanier word processor, he is tapping out his fifth post–White House book, *No More Viet Nams*. Though there was speculation that he might even play some role at this month's Republican Convention in Dallas, he declined to do so.

"Everywhere I go," says John Dean, the former White House counsel who first publicly tied Nixon to the Watergate cover-up, "I hear people say that maybe Nixon wasn't all that bad. The passage of time is one reason. People have softened their views considerably." Another reason is that Nixon has spent the past ten years tirelessly and skillfully campaigning for rehabilitation, for public acknowledgment of what he considers his deserved status as elder statesman. Says Dean: "Richard Nixon is running for ex-President." That he should campaign with some success hardly surprises veteran Nixon-watchers like John Sears, a former White House deputy counsel. Says Sears: "Right now he's in a period of recovering, but what's so unusual? He's spent half his life recovering."

During Nixon's first years out of office, each move in the comeback was measured by micrometer: the first public appearance, the first foreign trip, the first political speech. Now all that is commonplace: Nixon has visited 18 foreign nations, conferred with 16 Chiefs of State, appeared frequently on TV and in the press.

Every day the Secret Service drives him 23 miles to his 13th-floor office near Wall Street, and from 7:30 on, he works the phones like a hungry stockbroker, making and receiving perhaps 40 calls by noon. He calls strategically placed colleagues in the Reagan Administration, though not the President. He calls old friends, like Florida Banker Bebe Rebozo, and even old foes, like former Senator George McGovern. Then he limousines to lunch and more politicking at some high-powered mid-Manhattan watering hole, often the "21" Club or Le Cirque, with such figures as Henry Kissinger and Alexander Haig.

"Nixon has hundreds of contacts that

he maintains, some of them daily, many of them weekly," says one of his former advisers. "He'll call and just want to talk politics or world affairs. At the time of last month's Israeli elections, he was calling up everybody to ask what they thought and to tell them what he thought. There's a lot of back and forth."

Whether this really amounts to much more than the humoring of an aging ex-President is debatable, but the evolution of national policies often does involve "a lot of back and forth," and even many of Nixon's critics acknowledge that he has valuable experience. People who have conferred with him say that he seems intellectually at ease with geopolitics in a way that Reagan never does and probably never will. Nixon, they say, makes his analyses appear to be based on experience and pragmatism, and thus part of a strategy that has a chance of success.

It is as architect of East-West détente that Nixon manages to maintain high visibility. Just last month he made a surprise appearance at the Smithsonian Institution in Washington to help celebrate the 25th anniversary of his famous "kitchen debate" against Soviet Leader Nikita Khrushchev alongside the washing machine of a model American home on exhibit in Moscow. Said Nixon of Khrushchev: "He was a man of great warmth, and totally belligerent."

Ever concerned about his place in history, Nixon is trying to create a library to house his papers. With that in mind, he surfaced in San Clemente last May at Casa Pacifica, the former summer White House that he had once promised to donate to the nation. He sold it instead to some businessmen; the adjoining land is now being subdivided into lots. Nixon seized the occasion to welcome some 300 supporters with Mexican food and mariachi music, and then thanked his guests for their efforts in helping to support construction of a Nixon library on a windswept cliff two miles to the north. So far, only $7 million of the required $25 million has been raised.

That partial success, little more than one-fourth, is perhaps a fairly accurate measure of how far Nixon has come in his struggle for rehabilitation. The American attention span is not long, but harsh feelings toward Nixon still persist. For every Nixon supporter who remembers the kitchen debate or the opening to China or the settlement in Viet Nam, there are others who recall his early campaigns attacking Democratic Administrations as full of "Communists and crooks." For everyone who thinks of Watergate as a politically exaggerated collection of minor misjudgments, there are many who regard it as a narrowly averted threat to American democracy.

The difference in perceptions among his supporters and detractors is epitomized by the disagreements over whether Nixon has sufficiently repented about his part in the Watergate scandal. When CBS's Diane Sawyer once pressed him hard about "the thing you're most sorry about," Nixon became almost speechless: "Well, the . . . the . . . well . . . well, the . . . if . . . if . . . well, it . . . I th . . . I've . . . I've covered it already."* Frank Gannon, who worked with Sawyer on the preparation of Nixon's best-selling *Memoirs*, asked him yet again, in the 90-minute CBS interview last April, whether he should apologize to the American people. Nixon apparently did the best he could: "There's no way that you could apologize that is more eloquent, more decisive, more finite, which would exceed resigning the presidency of the United States. That said it all."

OLIVER MORRIS

AT WORK IN NEW YORK

"There's no way that you could apologize that would exceed resigning the presidency."

There are analysts who believe it is time for more favorable judgments on Nixon's presidency as a whole. "Watergate obscured what Richard Nixon was really doing," says a former White House insider. "Nixon was in the forefront on affirmative action. He set up the Legal Services Corporation. He established the Environmental Protection Agency. There was a coherence to those years, and Nixon was a moderate because successful politics is moderation."

Leon Litwack, a Pulitzer-prizewinning historian at the University of California at Berkeley, strongly disagrees: "If there is any nostalgia for Nixon, it's not based on any new historical findings but on the perception of Nixon as less dangerous and more intelligent than the current President. To forgive the enormity of Nixon's crimes would be a mistake. He waged war on American citizens."

Elliot Richardson, who was Nixon's Attorney General when he was forced out in the Saturday Night Massacre of 1973, sees his ex-boss as a President who succeeded in making the U.S. "adapt to the realities of change" but was "brought down by fatal flaws in his character." Says Richardson, who is now campaigning for a Senate seat in Massachusetts: "We all have the defects of our qualities. Nixon resented those more fortunate than he. He was insecure. But that was what propelled him to the presidency."

The argument over Nixon's place in history is an argument that nobody can win in the foreseeable future, so Nixon is probably destined to spend years as a kind of Ancient Mariner, plucking at the lapels of passers-by and trying to explain his strange story. But there are other, more pleasant sides to an ex-President's life. One of Nixon's reasons for moving from California to New York in 1980 was to be nearer his daughters. Tricia lives in Manhattan with her lawyer-husband Edward Cox; Julie in Berwyn, Pa., with her husband David Eisenhower, who is writing a book on his grandfather. Nixon delights in his four grandchildren, Jennie Eisenhower, 5, Alex Eisenhower, 3, Melanie Eisenhower, 6 weeks, and Christopher Cox, 5. When first asked what he wanted Jennie to call him, Nixon thought for a moment and then solemnly suggested that "R.N. would be nice"; he happily settled for her addressing him as "Ba." The older children frequently splash around with their grandfather in his Saddle River swimming pool.

For all that, the brand of unindicted co-conspirator can be neither erased nor forgotten. Nixon is still two years younger than the incumbent President and still insatiably full of ideas and strategies and ambitions. He is still an object of fascination to his foes as well as his friends. So the tenth anniversary of his departure from the Oval Office will not be a day like the others, even if nothing special happens. "I guess we will take note of it individually and in our own way," John Sears said somewhat reflectively last week. "It was, after all, the end of something." —***By Otto Friedrich. Reported by Hays Gorey/Washington and Adam Zagorin/New York***

*As quoted in Robert Sam Anson's new book, *Exile, The Unquiet Oblivion of Richard M. Nixon* (Simon & Schuster).

So Who's That in the Gray Suit?

Ferraro and Mondale kick off early with a joint jaunt

CAMPAIGN 84

No one had to ask Geraldine Ferraro who that man was alongside her, the one with the gray hair and suit to match. On the other hand, not everybody paid him a whole lot of attention either. In their first campaign swing together last week, Ferraro overshadowed Walter Mondale not only in her own Queens, N.Y., but in the South, the region where Democrats feared voters would least welcome a female vice-presidential candidate. From the puffery of the introductions to good-humored bantering with a good ole boy from Mississippi, Ferraro emerged as the star of a road show that trumpeted the new Democratic themes of family, flag and American values.

The only glitch in their tour came at the end, when Bert Lance, the Georgia politico who was expected to help the Democratic ticket in the South, announced he was resigning his three-week-old job as general chairman of the campaign. On the eve of the party's convention last month, Mondale had tapped Jimmy Carter's former Budget Director, who had been indicted and then cleared of charges of bank fraud, to head the Democratic National Committee. When a storm of protest blew up over the choice, Lance was shifted to an ill-defined political post. The nominee made no attempt to dissuade the disheartened Georgian from quitting.

The Lance contretemps, however, was upstaged by Ferraro's first march through the South, where ten states out of eleven went for Reagan in 1980. It was in Mississippi and Texas that she seemed to shine the brightest. In Queens, a crowd of 3,000 proved listless despite the pantheon of New York Democrats on hand. In Cleveland, where the candidates addressed the National Urban League conference, the mostly black audience offered attentive applause. But in Jackson, a throng of 4,000 waited in a drizzly rain for the pair and, when Mondale and Ferraro appeared on the steps of the antebellum Governor's mansion, cries of "Gerry! Gerry!" filled the air. "Do I have to worry about the South?" she asked. The answer roared back: "No!"

Ferraro even handled a brush with Southern chauvinism with an aplomb worthy of Scarlett O'Hara. As the candidates dryly discussed farm issues near a soybean field north of Jackson, the state's venerable agriculture commissioner, Jim Buck Ross, asked Ferraro if she had ever eaten catfish. "No," she replied. "Then you haven't lived, young lady," he said. The talk turned to blueberries, and the 66-year-old commissioner inquired, "Can you bake a blueberry muffin?" Ferraro smiled tightly. "Sure can." Slight pause. "Can you?" Another pause. "Down here," drawled Ross, "the men don't cook." Later Ferraro gamely noted that the next time she visited Mississippi, she would bring blueberry muffins and Ross would treat her to catfish. "He probably never met a female vice-presidential candidate before," she commented afterward.

Mondale and Ferraro won their most exuberant reception in Austin, where 10,000 flag-waving people gathered at the state capitol. In San Antonio, Mayor Henry Cisneros hailed Ferraro as "family." Her reply: *"Gracias, Primo Enrique* [Cousin Henry]."

One key to how well the Democratic ticket will do in the South will be the turnout among blacks, whose registration has risen 13% since 1982. Jesse Jackson's willingness to get those voters to the polls remains uncertain. When Jackson criticized Ferraro for not appointing more blacks to her campaign staff, she struck back strongly, calling him "an actor" who "should know better." Jackson later announced he was abandoning a hastily devised plan to run for the Senate from South Carolina and instead would devote his energies to Mondale and Ferraro.

Throughout the trip, Mondale and Ferraro sharpened the themes unveiled at last month's San Francisco convention. Mondale lauded family life, hard work and patriotism, pointing to his running mate as the embodiment of such values. Ferraro in turn talked about how "I've worked for everything I've gotten" and praised Mondale for Rockwellian virtues. "Those are the values my mother taught me, and they're the values John and I have passed on to our children."

Mondale and Ferraro complement each other well on the stump, though the contrast in style can be jarring. Ferraro is breezy and colloquial, Mondale becalmed and formal. Occasionally, as if advised not to act too effervescent, she attempts to rein herself in. When a band in Cleveland struck up *New York, New York,* Ferraro began swaying, but abruptly stopped. "I just love to dance," she half-apologized. For Mondale's introduction the combo played a catchy disco tune, but he did not even twitch. Yet Mondale seems invigorated by Ferraro; he speaks more forcefully and smiles more readily when she is around.

Some of the public's ardor may be only curiosity about a historic ticket; many in the Austin audience drifted away after Ferraro finished speaking, before Mondale was done. Mississippi House Speaker C.B. ("Buddie") Newman greeted his party's candidates in Jackson, but refused to say how he would vote in November. Yet last week's jaunt seemed to confirm that even in the South, Ferraro is likely to be a strong asset. Said Lloyd Doggett, who is the Democratic Senate candidate in Texas: "If she can win in Archie Bunker's district, she can win in Willie Nelson's." ***—By James Kelly. Reported by David Beckwith with Ferraro and John E. Yang with Mondale***

BILL PIERCE

BILL PIERCE

In Austin, Mondale basked in the glow of his show-stealing partner, Gerry Ferraro

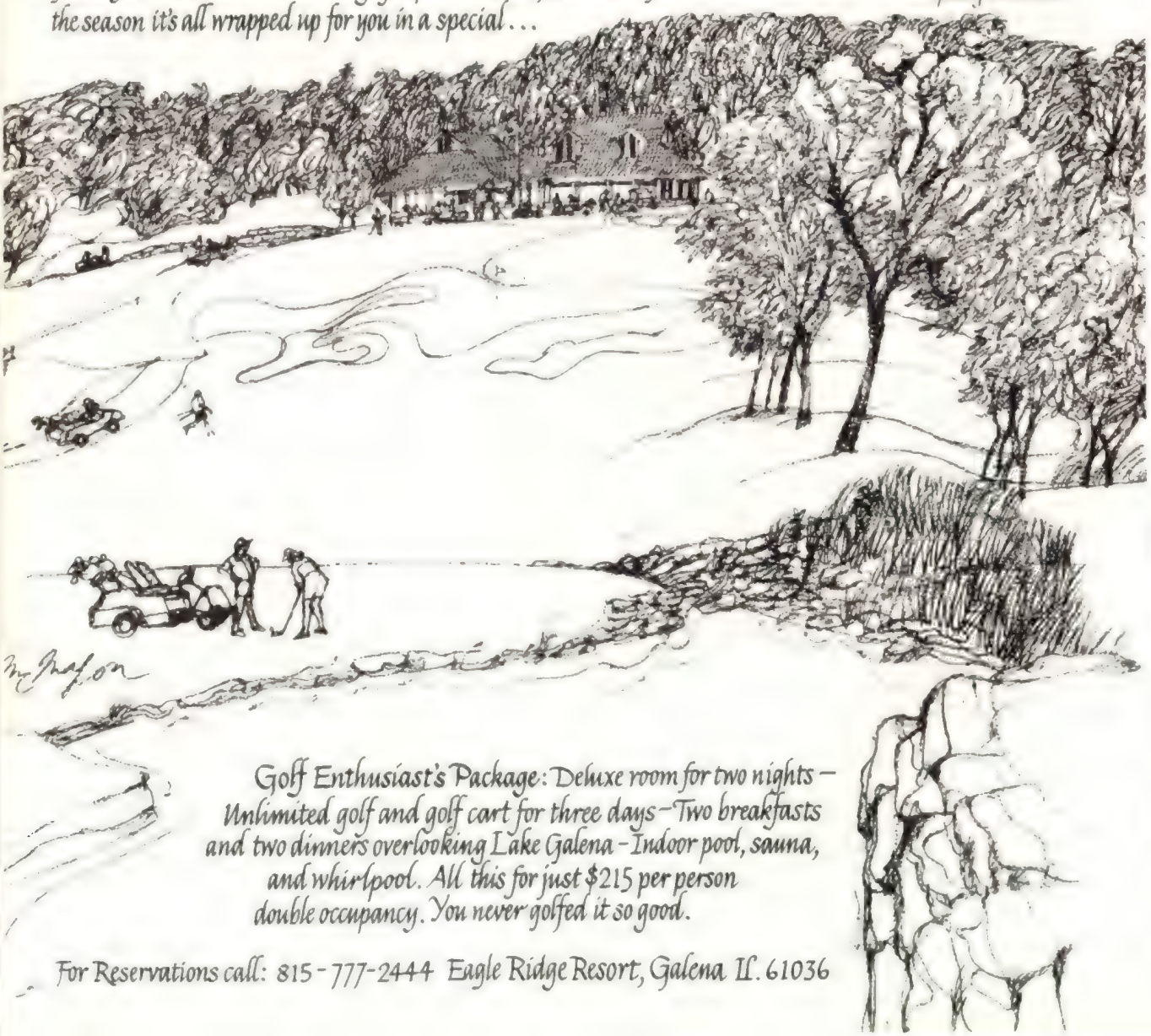

Pall Mall
A Step Ahead
Step up in taste,
step down in tar
100's
PALL MALL
FAMOUS CIGARETTES
LIGHTS
LOW TAR FILTER
Warning: The Surgeon General Has Determined
That Cigarette Smoking Is Dangerous to Your Health.

Eagle Ridge Resort

AT THE GALENA TERRITORY

Three days of golf on a grand scale - championship golf on two of the Country's top new courses. Play through the vast woods, water, and rolling hills that are The Galena Territory. After a day on the course, refresh yourself with a swim or a sauna. Then cocktails and dinner await in the rustic comfort of the Mobil four-star Eagle Ridge Inn. It's an unmatched golf experience, and for the rest of the season it's all wrapped up for you in a special . . .

Franklin McMahon drawing of the 18th hole on Eagle Ridges second championship golf course opening this month



Golf Enthusiast's Package: Deluxe room for two nights – Unlimited golf and golf cart for three days – Two breakfasts and two dinners overlooking Lake Galena - Indoor pool, sauna, and whirlpool. All this for just $215 per person double occupancy. You never golfed it so good.

For Reservations call: 815 - 777-2444 Eagle Ridge Resort, Galena Il. 61036

Fleischmann's Gin.
The clean taste of America.

Since 1870. Not perfumy. No flowery fancy taste.

Cleaner tasting gin makes a cleaner tasting Gin & Tonic.

American Notes

WASHINGTON

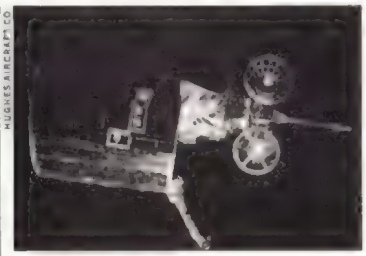
Slight Change of Heart

The Reagan Administration offered a modest olive branch to Poland last week. Encouraged by Warsaw's decision to free 652 political prisoners, the U.S. decided to lift some of the sanctions it had applied after Polish leaders imposed martial law in 1981. LOT, the Polish airline, will again be permitted to land in the U.S., and scientific exchanges between the two countries will be resumed. Moreover, if the Polish government completely carries out the announced amnesty, the U.S. will go one additional step: it will withdraw its opposition to Poland's desire for membership in the International Monetary Fund. Until the Polish government softens its restrictive attitude toward labor unions, however, the U.S. will continue to deny American agricultural commodity credits and refuse most-favored-nation trading status to Poland.

Some Administration officials opposed the policy change on the grounds that it helps legitimize the rigid regime of Wojciech Jaruzelski. Supporters of the Administration move argued that the sanctions have only hurt the Polish people. In the end, said a U.S. official, with an eye on the sizable Polish-American vote, the decision was "80% domestic politics."

SPACE

A Satellite Goes Blind



HUGHES AIRCRAFT CO.

GOES 5 in better days

For more than ten years, television weathermen have been displaying satellite maps of low pressures, high pressures, twisters and tempests, sometimes impressing their audiences with the scientific predictability of their forecasts. But the geostationary operational environmental satellites (GOES), which transmit the images for those maps, have been highly unpredictable: of the six GOES launched since 1975, five are not functioning properly. The $70 million GOES 5, sent up in 1981 to cover the East Coast and the Atlantic Ocean for at least five years, became the latest casualty last week when it went blind, just before the peak of the hurricane season.

The loss of the satellite means that forecasters will have to make do with pictures sent from GOES 6, currently stationed over the Pacific. As a stopgap remedy, the National Oceanic and Atmospheric Administration and the National Weather Service are moving GOES 6 to a more easterly position, where it will be able to monitor the continental U.S. and part of the Atlantic. The maneuver, which calls for a carefully choreographed pattern of propellant bursts, could take nearly three weeks.

MINNESOTA

Indicting a Benefactor

For nearly a decade, Joseph Diego Ramirez, 37, has ranked as one of the softest touches in Princeton, Minn. (est. pop. 3,200). He contributed a reported $10,000 to landscape city hall with new lawns and tropical palms, leased two Volkswagen Rabbits to the police force for $1 a year, lent a local group $500,000, interest free, to help build a hockey arena, and spent another half a million dollars to lengthen the runway of the municipal airport. Then, in a sharp turn of events, Ramirez presented himself two weeks ago at the nearby St. Paul jail in response to a grand jury indictment charging him with cocaine smuggling and tax evasion. Last week Ramirez, who says he is in the air-charter business, pleaded not guilty and was released on $200,000 bond—the required 10% of which was raised by a number of townspeople. The indictment alleged that one of Ramirez's planes was found abandoned on Grand Bahama Island last year with 397 lbs. of cocaine on board (street value: approximately $90 million).

STEWART—ST. PAUL PIONEER PRESS

Town Patron Ramirez

Ramirez, who has lived in Princeton since 1975, drew support from 75 local residents who offered to be character witnesses for him. "It's hard to imagine he would do anything illegal. He was always so visible and ostentatiously generous," said one citizen. "He's been the talk of the town."

SCHOOLS

Challenging Student Searches

President Reagan, in a speech before the National Forum on Excellence in Education late last year, called for a return of discipline to make American public schools "temples of learning, not drug dens." The Justice Department heeded that call last week. In a friend-of-the-court brief, Justice urged the Supreme Court to establish that students do not have full protection of the Fourth Amendment against warrantless searches and that school authorities may search students for drugs or any other evidence of school violations on grounds of "reasonable suspicion."

The court's test case deals with a Piscataway, N.J., high school assistant vice principal who inspected the purse of a student suspected of smoking cigarettes in a rest room. He found marijuana, which was used as evidence in a drug charge brought against the 14-year-old student. The New Jersey Supreme Court threw out a delinquency verdict against the girl last year, ruling that the drug had been seized illegally. The U.S. Supreme Court, which heard arguments on the case last spring but declined to rule, will probably act on the issue next term.

AGRICULTURE

Invaders Feast on Crops

In Idaho, swarms of them can be seen from miles away, and troubled farmers speak of "watching the grasshoppers coming over the mountains." The insects are imperiling $1.1 billion worth of alfalfa, grain, beans and potatoes in southern Idaho. In South Dakota, grasshoppers, army worms and corn borers have laid waste to thousands of acres of crops.

MILAN CHUCKOVICH

Munching menace

This summer's severe insect infestation has also struck North Dakota, Utah, Montana, Wyoming, Colorado and Nevada. Heavy snows, followed by a cool, damp spring, led to what farm experts called "a real good hatch" of grasshoppers. Idaho had requested $10 million in federal funds to spray with Malathion, the chemical used to combat the Mediterranean fruit fly. But experts question its use at this late stage. Says South Dakota Entomologist Ben Kantack: "If we spray now, we're just spraying for revenge."

HONG KONG

Making a Deal for 1997

Britain and China near an agreement on the freewheeling colony's future

The poker game has lasted almost two years now. The players are the world's most populous nation, China, and that most weathered of empire builders, Britain. In the kitty is a gleaming pearl, the scintillant colony of Hong Kong, which London is due to return to Peking in 1997. The favored strategy so far has been caution. Through 19 rounds of official bidding and bluffing, the British have remained outwardly imperturbable, while the Chinese have countered with a variety of shrewd hands.

Last week both sides came close to laying their cards on the table. The decisive session occurred during a four-day visit to Peking by British Foreign Secretary Sir Geoffrey Howe. After seven hours of bargaining with his opposite number, Foreign Minister Wu Xueqian, Howe spent 90 minutes with Premier Zhao Ziyang in the Purple Light Pavilion, where Emperors once gave audiences to "barbarians" bringing tribute. Finally, the Foreign Secretary went on to the Great Hall of the People and spent an additional 40 minutes with Deng Xiaoping, China's *de facto* leader, who has elevated the recovery of Hong Kong to a national mission. By the time their discussion ended, Deng, looking tanned and healthy less than a month before his 80th birthday, seemed positively merry. "If we say that it was General de Gaulle who brought an end to French colonialism," he proclaimed, "then we can also say that Prime Minister Margaret Thatcher has brought an end to British colonial rule."

In Hong Kong the following day, Howe made public the cause of all the blithe spirits: the two countries had worked out the basic principles of a treaty that they hope to draft and initial as early as next month. The Sino-British plan for the future of the flourishing colony and its 5.5 million people, declared Howe, had all the makings of "a historic agreement." It would convert Hong Kong into an "autonomous special administrative zone" that could continue to be a bastion of freewheeling capitalism for at least 50 years after the 1997 handover. The terms of the agreement would be strictly monitored by a bilateral Joint Liaison Group, which would be formed once the treaty is signed. The proposed deal apparently satisfied both parties. If Peking could rejoice in the return of the capitalist jewel, London could be pleased that its elusive opponent seemed responsive to so specific and binding an agreement. Said a top British official: "It is the best deal on offer, and we are confident we will be able to sell it to the Hong Kong community."

That, of course, is of paramount importance to both countries. While the Chinese dragon and the British lion have been warily circling each other, the world's third-largest financial center has responded to every shift in the bargaining like a sampan in a typhoon. As uncertainty over Hong Kong's future mounted, untold billions of dollars left the colony; foreign consulates have been flooded with visa applications from jittery locals, businessmen in particular. The value of the Hong Kong dollar fell 40% last year, as did the price of choice properties. The Hang Seng stock market index, perhaps the most vivid thermometer of economic faith, has dipped by more than 30% in the past two years. With confidence somewhat buoyed by Howe's reassurances, it climbed 66.95 points, to 893.69

FRANCOLON—GAMMA/LIAISON

Deng, Howe and, caught in the middle, the glittering

in a single day last week, its most bullish performance since the talks began in September 1982.

The British began the negotiations by conceding that their 99-year lease on the New Territories (constituting 90% of the colony) would elapse in 1997, yet contending that Hong Kong Island and Kowloon were theirs in perpetuity. China quickly squelched that claim. Then London demanded a continued British presence in a Chinese-owned Hong Kong after 1997. Peking said no to that too. With little progress being made, the Chinese delivered an ultimatum last fall: if no agreement was concluded by September 1984, they would unilaterally announce the terms of the colony's future. That got Britain's attention: during a visit to Peking last April, Howe acknowledged for the first time that China would enjoy total sovereignty over Hong Kong after 1997. But he presented two unequivocal demands: that the colony be allowed to preserve the hyperkinetic free enterprise that is its trademark and lifeline, and that it continue to enjoy some autonomy.

Meanwhile, each side tried to divine the other's hand. Britain feared that Peking would make good on its unilateral threat. The Chinese in turn realized that in undermining the colony's confidence, they were in danger of radically devaluing the precious capitalist gem they expected to acquire. After all, the 400-sq.-mi. enclave boasts exports greater than those of the entire People's Republic and supplies China with some 40% of its foreign exchange. Most important, perhaps, Peking hoped that by transforming Hong Kong into a semiautonomous special administrative zone without fuss, it could tempt Taiwan to enter into a similar arrangement.

The kind of terms that Howe outlined last week appear to do justice to both the wishes and the worries of China and Britain. Said the Foreign Secretary: "A preservation of all the rights and freedoms which the people of Hong Kong now enjoy" would be entailed. The colony would keep its legal, educational and financial systems at least until the year 2047; residents would still be permitted to travel and trade freely; the Hong Kong dollar would remain convertible on the world currency markets. Although China would be in charge of defense and foreign affairs, Hong Kong would be responsible for controlling its trade as well as Asia's largest free port.

The creation of a Joint Liaison Group would be a compromise between Britain's desire to have no monitoring body during the transition period and China's demand for a commission that would operate as a kind of shadow government. According to Howe, the group would include five Chinese and five British representatives; it would meet in Peking, London and Hong Kong until 1988 and then establish its principal base in Hong Kong until 2000. It would try to ease the transition from British to Chinese rule both before and after 1997, and to ensure full compliance with the agreement by both sides. The group is meant to soothe the fears of Hong Kong's residents, almost half of them refugees from the Communist mainland, who fear that China might start meddling in the colony's affairs well before 1997. Howe took pains to stress that the group "will not be an organ of power; it will have no supervisory role; it will play no part in the administration of Hong Kong."

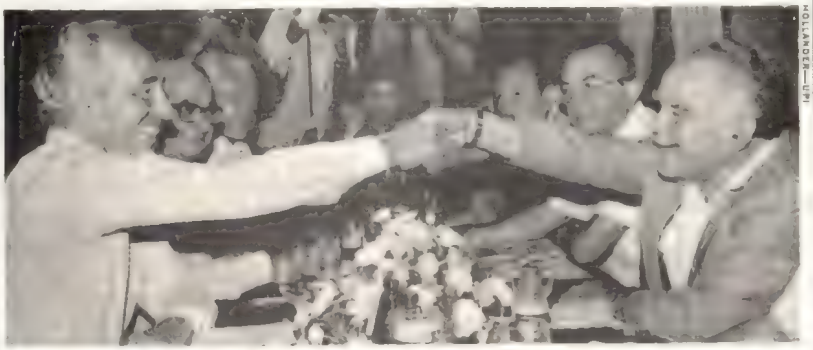
PETER JORDAN

ROBIN LAURANCE

colonial pearl whose destiny they hope to seal soon

Yet, as the British were quick to point out, some sticking points remain. Foremost among them is the destiny of 2.5 million Hong Kong Chinese who carry Hong Kong–British passports. Britain has said that it will not grant them full citizenship, but they are unlikely to want to become Chinese citizens. Another problem is that even if the colony is allowed to retain its judicial system after 1997, it is unclear how or by whom judges will be appointed. There is also a possibility that China's post-1997 control of Hong Kong's bustling international airport will involve complicated renegotiations of landing rights with many countries, including Taiwan. Observed a British official in Peking: "There are still some pretty tricky issues to be resolved, and unless they are resolved, there won't be an agreement."

Once drafted, the treaty will be discussed by local bodies representing the residents of Hong Kong, who have not been entirely pleased with Britain's handling of their fortunes. It must then be presented to the British Parliament and to the Standing Committee of the National People's Congress in Peking. Although Thatcher can expect to receive overwhelming support in the House of Commons, Deng may have to persuade hard-liners that he is not being extravagantly generous toward the citadel of laissez-faire capitalism. If all goes well, Thatcher and Zhao could sign the final treaty before the end of the year, and poker faces may even give way to smiles. *—By Pico Iyer. Reported by Murray J. Gart/Hong Kong and David Aikman/Peking*



HOLLANDER—UPI

Peres and Shamir shake hands across the negotiating table in Jerusalem

ISRAEL

A Call to Unity, and to Peres

The President tries to break the political deadlock

It was a "peace" conference as important in its way for the future of Israel as any that had gone before. Seated at opposite sides of a table decorated with bouquets of daisies at Jerusalem's King David Hotel last week were Prime Minister Yitzhak Shamir, the head of the Likud Party, and his political rival, Labor Party Leader Shimon Peres. The two men smiled, shook hands and joked with each other. But the outward congeniality belied the serious political deadlock that had brought them together. Nine days before, they had battled to a virtual draw in parliamentary elections. With neither party in command of enough seats to form a majority in the Knesset, the two leaders were exploring the possibility of joining in a government of national unity.

On Sunday, however, President Chaim Herzog asked Peres to form a new government. The elections had left Labor with 44 seats in the Knesset, three more than Likud but still far short of the 61 needed for a parliamentary majority. In the past, Likud has had more success than Labor in patching together a coalition from the small religious and splinter parties that will now control 35 seats in the Knesset. But as Herzog consulted with many of these 13 groups, it became clear that some former Likud supporters were reluctant to commit themselves to a new Shamir government. Among the notable holdouts was the National Religious Party. Former Defense Minister Ezer Weizman, who leads Yahad, a new party with three seats, is thought to be leaning toward Labor. He told a television audience that "what has happened in the past seven years with respect to the peace process and the economy provides ample reason for criticizing the Likud."

Shamir and Peres had opened their negotiations at Herzog's urging. Said the President: "People from all strata of the public are appealing to me to initiate a national unity government." After both leaders had conferred separately with the President at his official presidential residence in Jerusalem, Shamir and Peres spoke positively about the need to join forces. Peres said he felt that "the entire nation wants a national unity government established, and it is our judgment to respond to the will of the people." Shamir said he recognized the "special need" for such a move. However, many political observers suspected that the two men were merely going through the motions in order to appease the electorate: polls have indicated that a coalition government would have considerable public appeal.

After Peres had been tapped by Herzog, he promised to form "a government as wide as possible, a unified government." Still, he could abandon efforts to negotiate with Shamir and seek to scrape together a parliamentary majority of his own. The two major parties remain deeply divided on a host of issues, from Lebanon to settlement policy in the West Bank. But there are pressing troubles that cannot wait until the tangled election results are finally sorted out. The Bank of Israel announced last week that during July the government had been forced to pump an unprecedented $360 million into the economy and that foreign currency reserves had dropped by $351 million, to $2.6 billion. Inflation is climbing at an annual rate of 400%, and that can only mean more hard times ahead for Israel's foundering economy. ■

Savoring a Divisive Victory

One politician who was not invited to visit the presidential residence last week was Rabbi Meir Kahane, 52, the Brooklyn-born head of the Kach Party. Not that the snub dismayed him. The founder of the New York City–based Jewish Defense League, who emigrated to Israel with his special brand of right-wing extremism in 1971, was still savoring one of the most divisive victories in last month's elections. Three times before, he had tried and failed. His success was yet another indication that the Israeli electorate was shifting to the right.

"To all those who say Kahane is dangerous, I say yes," he boasted to several hundred supporters at a Jerusalem rally. "They say Kahane wants to get rid of the Arabs. Correct. I want to get rid of all the Arabs." As his first act in the Knesset, he vowed, he would propose a bill to expel the 700,000 Arabs who are Israeli citizens, as well as the 1.3 million who live in the occupied territories of the West Bank and Gaza Strip.

Kahane's election (with 1.2% of the national vote) set off widespread indignation. In a rare public comment, former Prime Minister Menachem Begin declared, "My friends and I have nothing in common with the man." An aide to Prime Minister Yitzhak Shamir insisted that Kahane was "not acceptable under any circumstances" in a Likud-led government. While Jerusalem Mayor Teddy Kollek called for a law that would make the espousal of racist views illegal, Israel's state-owned radio kept Kahane's more inflammatory statements off the air.

According to U.S. law, Kahane could lose his U.S. citizenship for holding office in a foreign government. But the Justice Department, following recommendations from the State Department, will not rule on Kahane's case until he takes his Knesset seat. Furthermore, some U.S. officials believe that if the decision goes against him, Kahane could successfully challenge it in court.

GUSTAVO FERRARI

Kahane: "Yes, I am dangerous"

Israelis were particularly concerned that Kahane, who has repeatedly been arrested in Israel for inciting riots and disturbing the peace, would take advantage of the fact that members of the Knesset enjoy legal immunity. He has said he will openly break the law whenever he feels it is inconsistent with traditional Judaic law, which was handed down by God.

DIPLOMACY

Parrying in Print

Moscow chides East Germany

Careful readers of the Communist press were treated last week to a rare public airing of differences between the Soviet Union and some of its East European satellites. The display was all the more remarkable because it involved East Germany, which for 35 years has been one of Moscow's most loyal allies.

The thrusting and parrying in print began when *Pravda* harshly criticized a West German decision to lend $330 million to ease East Germany's pressing foreign debt. At the same time, East Germany had agreed to lift some travel restrictions between the two countries. The Soviet commentary accused Bonn of using "economic levers and political contacts" to "impose its dominance and encourage a chauvinistic spirit" in East Germany. The East German Communist party daily *Neues Deutschland* called attention to the criticism by publishing the full text of the *Pravda* article. Two days later, the East German paper countered by reprinting a Hungarian commentary praising East German foreign policy. Then, in an editorial last week, *Neues Deutschland* pointedly upheld the idea of "dialogue between states of different social orders, as well as between member states of the Warsaw Pact and NATO."

In the months since NATO began to deploy new intermediate-range nuclear weapons in Western Europe, the Soviets have tried hard to discourage such dialogue. But East Germany has paid little heed. In a clear effort to preserve its close and lucrative ties with West Germany, it has allowed 27,000 East Germans to move to West Germany so far this year, nearly three times as many as in all of 1983. Communist Party Leader Erich Honecker has also proceeded with plans to visit West Germany next month, and will be the first East German leader ever to do so. East Germany's desire to maintain its relations with the West in spite of the Soviet-U.S. chill is shared in varying degrees by Hungary, which argued in favor of better economic relations with the West at the Soviet-bloc economic summit in Moscow last June, and Rumania, which did not follow the Soviet boycott of the Los Angeles Olympics.

The Soviets responded last week with a second blast in *Pravda*. The paper warned that West Germany was trying to deceive the East with talk of "a special mission of both German states to 'limit the damage' done by the new round of the arms race in Europe." East Germans recognized the placement of those three words in quotes as a pointed criticism of Honecker, who used the phrase in a speech last fall about the NATO deployment.

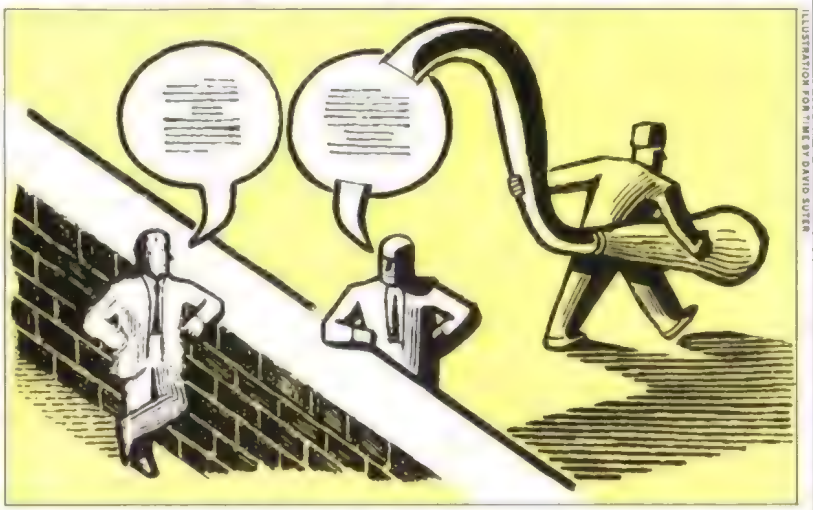


ILLUSTRATION FOR TIME BY DAVID SUTER

The Soviets have been unrelentingly critical of West Germany in the aftermath of the deployment. Soviet Foreign Minister Andrei Gromyko coldly rebuffed West German Foreign Minister Hans-Dietrich Genscher's call for a return to arms talks during a meeting in Moscow last May. Since then the Soviet press has continued to vilify West Germany as the Third Reich reincarnate, publishing cartoons that depict members of the Kohl government with goose-stepping Nazi troopers.

West German Chancellor Helmut Kohl last week dismissed the Soviet campaign as "completely absurd defamation." Officials in Bonn say the blasts from Moscow will in no way affect the Honecker visit. The Soviet attacks may reflect the Kremlin's desire, as a Soviet official put it to a West German diplomat in Moscow recently, "to treat the West Germans the same way we treat the Americans." But they also give voice to deep-rooted fears that Germany will one day be reunited and become hostile to the Soviet Union. Said a Western diplomat: "They are putting down a marker to remind the Germans of who they really are and who lost the war." —*By John Kohan. Reported by Gary Lee/Bonn*

Spaced Out

Prospects for talks grow dim

For nearly five weeks the U.S. and the Soviet Union have been sparring over the possibility of resuming a high-level dialogue. The question first arose when Moscow surprised the Reagan Administration by proposing a meeting in Vienna on Sept. 18 to begin negotiating a ban on weapons in space. The U.S. accepted, but said that it also wanted to talk about earthbound nuclear arms. Last week it became clear that neither side was willing to meet the other's terms, and that the prospects for a fall Vienna parley were growing dim.

From the start Moscow indicated that it was not in a mood to compromise, an attitude that became even clearer last week when Soviet Deputy Foreign Minister Alexander Bessmertnykh declared that the latest U.S. proposal for an agenda "continues to be negative." For the first time the Soviet remarks prompted an angry U.S. response. Said National Security Adviser Robert McFarlane: "It appears the Soviets were not serious about their proposal."

From the Soviet standpoint, a major obstacle to the proposed talks was Washington's insistence on discussing strategic and intermediate-range nuclear weapons. The Soviets have steadfastly refused to address those subjects since they abandoned two sets of arms talks in Geneva last fall. But the Soviets, McFarlane said, then further hardened their position, trying to set "preconditions" for the Vienna negotiations. Among them was an insistence that the U.S. agree in advance to a moratorium on the testing and deployment of antisatellite systems. The Soviets already possess such a system; the U.S. does not. According to McFarlane, such prior commitment to a moratorium would in effect "prejudge" the outcome of the talks.

President Reagan may find some consolation for his disappointment over the failure of the Vienna meeting to materialize. His Administration is divided over the space-weapons issue (the State Department favors talks, the Pentagon opposes anything but the most modest agreement), and he is unlikely to come under domestic political pressure to make concessions to the Soviets just before the election. The jockeying now will be over which side takes the blame for saying no.

In an apparently unrelated incident last week, half a dozen Soviet policemen beat up an off-duty U.S. Marine attached to the American consulate in Leningrad. He was not seriously injured, but it was not the first such incident this year. In April, an unidentified youth attacked a U.S. consular officer on the street. Administration officials said last week that they were becoming annoyed at the "disturbing pattern of official involvement in a campaign to harass and isolate Americans in the Soviet Union." ■

The hijacked Air France jetliner in Tehran after terrorists exploded a bomb in its cockpit

TERRORISM

Failed Security

Liquid explosives in the sky

Air France Flight 747 from Frankfurt had just begun its descent toward Paris in the late-afternoon sun last Tuesday when three men, brandishing knives and Molotov cocktails, burst into the cockpit and demanded to be taken to Iran. Thus began for their 61 hostages a harrowing 46-hour journey of nearly 3,000 miles, with stops in Geneva, Beirut, Cyprus and, finally, Tehran. There the hijackers, by now mysteriously armed with revolvers and automatic pistols, declared that starting Thursday morning they would kill one French passenger every hour until the French government agreed to release five Islamic fanatics in prison since 1980 for the attempted assassination of former Iranian Prime Minister Shapour Bakhtiar in a Paris suburb.

A top-level French crisis team decided it would not release the prisoners. Iran, prompted by pleas from West Germany, Britain and other countries, agreed to negotiate for the release of the hostages. The Iranians acted reluctantly, perhaps because of their anger over extensive French arms sales to Iraq. By Thursday morning, all 14 of the women and children on board were released. That afternoon the remaining hostages were herded onto the runway. The hijackers blew up the plane's cockpit, then surrendered. French Chargé d'Affaires Jean Perrin called the explosion "a little matter of honor."

Only a few days earlier, a similar drama had been enacted in the Caribbean skies. A Venezuelan Aeropostal airliner, en route from Caracas to Curaçao with 87 passengers and crew aboard, was hijacked by self-proclaimed Haitian Rebel Hilertaut Dominique and his Dominican accomplice Felix Segundo Castillo. Armed with gasoline and pistols, the two forced the pilot to fly the plane first to Trinidad, then to Aruba, and finally to Curaçao.

According to one hostage, the hijackers acted "like mental cases," demanding at different times a helicopter, millions of dollars, automatic weapons and flight plans for Europe and the Middle East. Following the plane to Curaçao was a team of commandos from Venezuela. During the 17 hours the plane sat on the runway, while passengers sweltered inside, a team of anti-hijack specialists from the U.S. arrived. In the dark hours of Tuesday morning, a commando crept under the plane and deflated one of its tires; the other three tires were then shot out, immobilizing the aircraft.

That afternoon Dominique splashed gasoline on passengers and then ignited a newspaper. The terrified hostages forced open a door and tumbled out of the plane. At that moment the Venezuelan commandos stormed the cabin. The two hijackers died in the ensuing shootout.

Travelers familiar with the loose safety arrangements at Caracas' Simón Bolívar Airport were not surprised that the two men were able to board the Aeropostal flight carrying pistols. However, the Air France hijackers eluded security checks at Frankfurt International Airport, which boasts some of the toughest safeguards in the world. No airport X-ray machine or magnetic scanner can detect the liquid explosives the men carried. Moreover, some hostages believe the guns were in a mysterious bag delivered to the hijackers by Iranians at the Tehran airport.

■ ■ ■

A far grislier terrorist act occurred on Thursday when a bomb, concealed in a suitcase, exploded at Meenambakham International Airport in Madras, India, killing at least 29 people and destroying the customs area. Madras airport authorities, accustomed to frequent bomb hoaxes, had tragically ignored three telephoned warnings. ***—By Janice Castro. Reported by Bernard Diederich/Miami and Thomas A. Sancton/Paris***

CENTRAL AMERICA

Straight Talk

Rebels challenge an army

Despite some improvement, the overall performance of El Salvador's army remains "checkered." So testified General Paul Gorman, head of the Panama-based U.S. Southern Command, in an appearance last week before a House subcommittee. Indeed, two days earlier, a dawn guerrilla raid on three villages west of San Salvador left 63 civil-defense guards and three civilians dead. Army reinforcements did not arrive until the afternoon, after the fighting had ended.

Then, on Thursday, four heavily armed men claiming to be members of a leftist guerrilla group attempted to rob a bank in Soyapango, a working-class suburb of San Salvador, killing a security guard and taking 73 hostages. Police surrounded the bank, while Red Cross officials negotiated with the rebels. After nearly 23 tense hours, the guerrillas surrendered. The episode alarmed Salvadoran authorities: until recently, the rebels had rarely launched an attack so close to the capital.

Nonetheless, General Gorman said, he would oppose sending U.S. troops to El Salvador, even if its government was in danger of falling to leftist guerrillas. Yet he did suggest that the number of U.S. military advisers there be increased from 55 to 125. Congress is not likely to view the request favorably. Last week, although the Senate Appropriations Committee approved $116 million more in military aid to El Salvador, the House refused to include such funds in an emergency spending bill.

The Administration temporarily abandoned its effort to persuade Congress to continue funding for the CIA-backed *contras*, who are fighting the Sandinista regime in Nicaragua. Despite this, Gorman offered new evidence to support the Administration's contention that the Sandinista government is partly to blame for the guerrilla successes in El Salvador. During a closed session, he showed videotapes shot in June of what appeared to be Nicaraguan boats unloading weapons onto Salvadoran beaches.


TERRY ASHE

Gorman

Meanwhile, a former Nicaraguan diplomat who defected last fall told a Senate subcommittee on drug abuse that several Sandinista leaders were directly involved in smuggling cocaine into the U.S. In Miami, a U.S. Attorney presented a federal court with photographs purporting to show Nicaraguan soldiers and a government aide loading cocaine onto a plane bound for Miami. The Sandinistas have denied the charges, which first surfaced in July. ■

At last, a rumor we can confirm.

These past few months you've probably heard more about Continental than you'd care to know.

Now, we're happy to report, we have a plan designed to solve our problems in the best interest of everyone concerned.

The key provision of the plan is that Continental will continue to operate as a vital financial institution, free of the bulk of the problem loans which had become a burden on our financial and human resources.

We want to emphasize that, while the FDIC will have a strong investment position in the bank, Continental will be privately managed.

And we will be competitive.

The situation is complex. And so is the solution. It will take time. And it won't be easy. But with the continued support of our friends, employees and customers, it can be done.

We'll be telling you more about our plan in the weeks to come.

But right now, all of us at the bank would like to thank all of you who've given us your loyalty and encouragement. And assure you that we are committed to emerging a stronger and healthier Continental.

CONTINENTAL BANK

Continental Illinois National Bank and Trust Company of Chicago

THE GULF

A Way to Distract the Enemy

Iran and Iraq draw an independent people into their war

The 46-month-old Iran-Iraq war sputtered along last week, but in a locale far from the waters of the Persian Gulf, where 17 oil tankers have been attacked and damaged over the past four months. Iran announced that its troops had cleared 100 sq. mi. of a rugged mountain area controlled by Kurdish rebels who are supported by Iraq. In the process, Tehran said, 220 Kurds had been killed. Last week TIME *Correspondent Barry Hillenbrand had a rare opportunity to visit the Iraqi portion of the area known as Kurdistan. His report:*

A Kurdish rebel surveys the border area

"Over there, on the un-green hills," says the Iraqi major pointing to jagged peaks, "is Iran." The late-afternoon sun is playing tricks with the scenery: Iran looks brown and desolate, Iraq green and attractive. "The Iranians have disappeared," the major explains as he peers through an enormous pair of military binoculars perched on a heavy tripod. "They are afraid of our bombing."

The commander of Iraq's First Army Corps, however, confirms that heavy fighting is taking place farther north on the Iranian side of the border. "The Kurds have been very active and very successful recently, so the Iranian army is trying to clean them up," says General Nazar Abdul-Kerim. Indeed, it is summer, and the harvest is finished, so the Kurds have time for fighting. By the same token, the Iranians find the warm but dry weather good for conducting military operations through passes that are choked with snow and mud for more than half the year. The general will not say that his country is actively helping the Kurds in Iran, but other Iraqi commanders have acknowledged that they supply and assist them as a way of distracting the enemy.

An insurgent camp, above; an anti-Khomeini woman prepares for battle

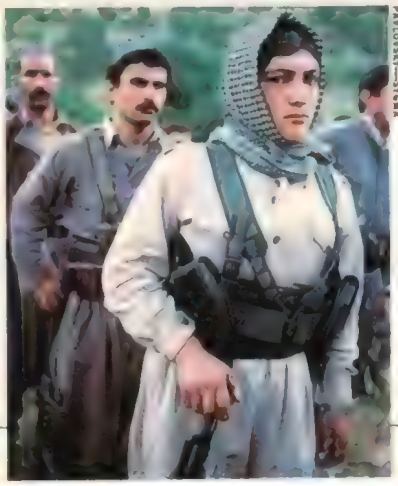
The main objective of Iran is to crush the Kurdish rebels once and for all. But it, too, wants to use the Kurds to create a diversion for its primary foe. If Iran launches another major offensive, it will probably be in the south, near Basra. By attacking the Kurds along the northern border, the Iranians hope to make the Iraqis move some of their forces away from Basra.

For centuries the Kurds have dominated an area that encompasses parts of Iran, Iraq, Syria, Turkey and the Soviet Union. They have steadfastly maintained their own language, customs and agrarian life. Modern Kurdish history has consisted largely of the ongoing struggle for some measure of independence from the central authorities of the more powerful states that Kurdistan straddles.

Iraq has its own Kurdish problem, and it was a key cause of the present war. In 1975 the Shah of Iran signed an agreement with Iraq that gave Iran a share of the Shatt al Arab waterway at the head of the gulf in exchange for the Shah's withdrawal of support for Kurds fighting the Baghdad regime. Iraqi President Saddam Hussein launched his war against Iran in 1980 partly to recover what he had signed away five years earlier. He now has fewer problems with Kurds than Ayatullah Ruhollah Khomeini does, largely because he created an autonomous Kurdish region within Iraq in 1970. Still, roads in Iraqi Kurdistan are heavily guarded by day and unsafe at night.

The latest Iranian offensive against the Kurds is evidence of a desperate need to win some kind of victory, if only for psychological reasons. "The biggest problem Iran has is morale," says General Abdul-Kerim. "They feel they have not accomplished anything and that they have no hope." For five months there have been reports that as many as half a million Iranians have been massed along the southern Iran-Iraq boundary, poised for attack. Yet the offensive has not materialized, most likely because the Iranian leadership is unable to make the decision.

Meanwhile, Western diplomats in Baghdad agree, Iraq is more confident than at any other time in the past two years. It is continuing to stockpile sophisticated weaponry, acquiring 29 new Mirage F-1 jet fighters from France and 40 additional MiG-21s from the Soviet Union. Experts estimate that the Iraqi air force now has more than 400 combat planes, while the Iranians have been reduced to 40 to 60 operational aircraft, most of them inferior to Iraq's. As long as Iran is not confident enough to take on the Iraqis directly, its fury will probably be directed at such lesser foes as the Kurds. ■



AND NOW THE GAME BEGINS

INTRODUCING THE AT&T

PERSONAL COMPUTER.

The personal computer game is ready for business—and now it's your move. To win the game your company needs a fast, flexible, reliable personal computer that enables you to call the shots.

Go directly to the new AT&T Personal Computer.

The AT&T Personal Computer is more than just a superior piece of hardware. Behind it is a commitment to a better way of managing information and communications. One that can pay off handsomely in increased productivity and profits.

Because our AT&T PC is designed to be flexible enough to meet all your business needs—today and in the future.

Whether you use it as a stand-alone workstation or as a team player in a fully integrated system, you'll find our PC a high-performance machine. And a hard-working addition to your office.

Its fast processing and high-resolution graphics will help make any computer task a computing pleasure. In addition, you can expect more standard features. More expansion slots. More options for future growth.

OFF-THE-SHELF SOFTWARE DOES THE JOB

Driven by the MS-DOS* operating system, the AT&T PC runs the most popular off-the-shelf software for a wide range of business applications. Financial analysis. Forecasting. Budgeting. Word processing. Inventory. The AT&T PC does it all.

And its flexibility means that when it's time to expand, our PC will actually make your computer growing pains painless.

With our unique PC Interface it can be linked to the more sophisticated, higher capacity world of the UNIX** System V Operating System—the AT&T Computer "brain" that is emerging as the operating system standard for multi-user, multi-tasking machines.

THE AT&T TRADITION CONTINUES

Some things about our PC cannot be measured in bits and bytes, but are of immeasurable value.

For instance, the unmatched service and support of AT&T. The built-in reliability—and outstanding quality—of our products. The century-long tradition of technological innovation and personal attention to detail.

Think about it. Then make your move—to the AT&T Personal Computer, from AT&T Information Systems.

To get in on the game, call your AT&T Account Executive or 1 800 247-1212.

AT&T INFORMATION SYSTEMS. WHEN YOU'VE GOT TO BE RIGHT.

AT&T

*MS-DOS is a trademark of Microsoft Corporation.
**UNIX is a trademark of AT&T Bell Laboratories.
Used with AT&T Information Systems.

AFTER YEARS OF DISTINGUISHED SERVICE, YOUR CARD HAS BECOME A CLASSIC.

Thanks to you the familiar Blue, White and Gold of Visa is the most widely recognized, most widely accepted symbol in the world for travel, shopping, entertaining and cash.

It's become the classic payment card, welcome at over 3.6 million places in 156 countries. Which is why it's now called the Classic Visa Card. To reflect what you've made it.

Soon banks all over the world will begin issuing Classic Visa Cards, featuring their own name, design and special financial services. Each card will also display a special Classic symbol "C" at the lower right. Plus the familiar Blue, White and Gold Visa at the top.

Until you receive your new Classic Visa Card, your current card is as good as ever. And getting better.

VISA

World Notes

ARGENTINA

A Step Toward Justice

Stiff of bearing and devoutly Roman Catholic, Lieut. General Jorge Rafael Videla was a reassuring figure to many Argentines in March 1976, when he emerged as President of a military government intent on ending years of economic chaos and political violence. Then Videla led Argentina's armed forces into a four-year "dirty war" against terrorism, during which more than 8,000 people disappeared and hundreds of others were murdered and tortured. Last week the Supreme Council of the Armed Forces formally indicted and jailed Videla, 59, for his part in a program "based on methods and procedures that are manifestly illegal." The military decision was a relief to civilian President Raúl Alfonsín. Months of foot dragging by the Supreme Council had cast doubt on Alfonsín's ability to fulfill his longstanding promise to bring the junta members who governed during the dirty war to justice. Four former junta members have already been charged with other offenses, ranging from alleged involvement in a murder case to responsibility for the disastrous Falklands war.

GOLDBERG—SYGMA

Videla in 1977

EGYPT

Who Is Rocking the Boats?

Were the explosions caused by mines? If so, who laid them and why? No one is saying. What is known, however, is that at least nine merchant vessels of different national registries, including at least one Soviet ship, have been rocked at sea by mysterious blasts since early July. According to Lloyd's Shipping Intelligence, an arm of Lloyd's of London, the hazardous zones appear to be at the northern and southern ends of the Red Sea. One Dutch captain reported that his cargo ship was "mixed up in a minefield" off the coast of North Yemen, as reported by Lloyd's.

An unconfirmed report broadcast last week by the clandestine Radio Free Lebanon claimed that a group called the Islamic Jihad Movement had planted 190 mines in the Gulf of Suez. In Washington, one perplexed Pentagon official summed up the confusion when he declared, "Until we know what it is, we won't know how to deal with it."

Egyptian Prime Minister Kamal Hassan Ali said in Cairo that his government is investigating the explosions. Last week a 15-man American technical team arrived in the area to assist in the Egyptian probe. Meanwhile, the Pentagon has issued a "notice to mariners" as a precautionary measure.

FRANCE

Awarding the Seeds of Life

"I'm the happiest woman in the world," declared Corinne Parpalaix, 22, last week after a civil court in the Paris suburb of Créteil awarded her possession of frozen sperm left in a sperm bank by her late husband Alain. In 1981 he deposited his sperm after learning that treatment for his testicular cancer could leave him sterile. He died last Christmas, two days after he and Corinne were married in a hospital ceremony. In February the young widow tried to recover the sperm from the bank in order to conceive her dead husband's child. The bank refused, on the grounds that the donor had not left instructions. But the court ruled that Parpalaix had the right to the sperm, which it described as "a secretion containing the seeds of life."

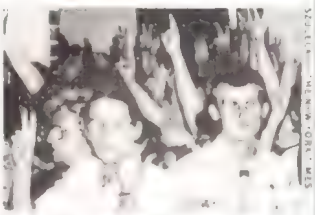
Partly because of the Parpalaix case, the French government has proposed legislation governing the operation of sperm banks that would avoid similar cases in the future. But the new laws would not help Parpalaix in one respect: should she succeed in becoming pregnant, she will run into the Napoleonic Code of 1804. It states that any child born more than 300 days after the putative father's death is not considered a legitimate heir.

POLAND

Sobering Strategy

It might be said that next to freedom, there is nothing a Pole cherishes as much as his vodka. However, alcohol abuse has become one of the country's most serious problems. According to estimates by the Roman Catholic Church, 3 million Poles are drunk on any given day. A worried church and the outlawed Solidarity trade union have joined forces to revive a two-year-old campaign urging Poles to give up their excessive liquor consumption, at least for the month of August.

The reasons for the vodka boycott are political as well as spiritual. Underground opposition leaders have accused the government of trying to demoralize the country by making liquor easily available. While the government would also like to see drunkenness disappear, it hardly wants to cut profits from the $4 billion state-owned vodka monopoly. Polish workers have only once complied with efforts to make them give up their drink: during the August 1980 protest that gave birth to Solidarity. Some Poles feel that the latest call to sobriety would be a fitting way to commemorate that occasion.



Catholics vowing to abstain

LEBANON

A Farewell to Arms

One day last week, the final 80 U.S. combat troops were helicoptered out of Beirut. They had stayed there to protect the U.S. diplomatic mission after President Reagan ordered the withdrawal of the 1,800-man U.S. peace-keeping force. A week earlier, the U.S. had opened a new embassy along the waterfront in West Beirut, more than a mile from the previous embassy site. But no fanfare attended either event. Since U.S. servicemen first arrived in Lebanon almost two years ago, 265 of them have lost their lives in a cause they could never quite explain. In addition, 17 Americans died when a car bomb shattered the old U.S. embassy in April 1983.

American diplomats will commute to the new embassy from a five-story annex in East Beirut, where Christian militias maintain a modicum of security. Fifteen Marines will guard both the new embassy and the annex, but they will stay off the street and out of sight. Those precautions are prudent. Just two days before the American Marines left, a furious gun battle broke out between rival Lebanese militiamen in West Beirut. One of the two people killed was a man trying to rescue the wounded.

BILL FOLEY

Exit the Marines

OLYMPICS

COVER STORIES

Glory Hallelujah!

America's athletes strike a rich—almost too rich—lode of Olympic gold

An appealing collection of young American gymnasts, most stirringly Mary Lou Retton but also some wondrous men for a change, have given the Olympic Games what they wait for every four years—and sometimes eight—the gift of renewed youth. Last week in Los Angeles, a pretty and pleasant time, occasionally even captivating, the U.S. began swimmingly against most of the world, less the Soviets and East Germans of course, maybe too successfully for some tastes. After so many choruses of our national anthem and chants of "U.S.A.!," the impulse might be to wish for someone else to win, just in the interest of seemliness and hospitality, if not future international relations. But the athletes can hardly be expected to understand any such qualm, particularly those whose true primes passed silently in 1980, and who therefore never really had a prime. Maybe ABC is not just being parochial or pragmatic in seeming to do little else but pan from one American face to another, because frankly it has been hard to look away. Almost to a man and woman, they are crying.

Now Mary Lou moves over for Carl Lewis as he goes for the rest in his quest for four; the "Gang of 10s" gymnasts hand off to Mary Decker; the swimmers make way for track and field; and the ongoing sports, like boxing and basketball, get down to particular climaxes, as if there have not been plenty already. The little events continue merrily. A problem with the Olympics is that the perfect vault is followed immediately by the perfect encore, by the national anthem, by the next game, race or relay. The gold medals run together.

The first one in these Games and in the history of China was won by pistol-shooting Xu Haifeng, a fertilizer salesman recruited just three years ago on his rustic reputation for being handy with a slingshot. Throughout the week, the Chinese dominated the weight lifting, a Bulgarian and Soviet preserve, occasionally spicing the entertainment with wonderful backflips. From the top stand, Gold Medal Featherweight Chen WeiQuiang reached down and vigorously pumped the hand of Bronze Medalist Tsai Wen-Yee of Chinese Taipei, or Taiwan. "We are all Chinese" was the translation for both.

But the second anthem heard was American, and this became the dominant

JOHN IACONO

U.S. swim-team members in the stands gave their victorious colleagues unflagging support

theme straight from opening day, which dawned for the U.S. in prosperous Mission Viejo at the cycling road races. Charmingly, many of the estimated 200,000 spectators who lined the green curbsides or climbed the brown hillsides arrived astride their own ten-speeds, even bicycles built for two-and-a-half (the baby on the back fender). It was the freest event in the most expensive Olympics, and a sunny Sunday for a picnic in suburbia, where neighborhood residents favored hearts of palm and caviar over potato salad and baked beans.

Freckled redhead Connie Carpenter-Phinney, 27, an Olympic speedskater in 1972 who rowed for the University of California at Berkeley and is built on the order of an oar, joined Teammate Rebecca Twigg, 21, in the lead pack—a six-pack—bearing down on the finish after more than two hours of the first women's road test in the history of the Games. Then the U.S. pair broke out on the wings, and screeched practically side by side across the line. Even before coasting to a stop, they came together in a sweet embrace. After 49.2 miles, Carpenter-Phinney's edge over Twigg could be measured in centimeters, and blushing West German Sandra Schumacher, 17, seemed delighted with third. How fast was Carpenter-Phinney going at the end? She smiled. "Fast enough."

Nothing keynoted the swimming competition or the week itself more sharply than the women's 100-meter freestyle race, the first finals in the rapid white-water stream of them. When a Swiss timepiece was unable to choose between Carrie Steinseifer and Nancy Hogshead, duplicate gold medals were struck, and naturally those two were immediately dubbed the Gold Dust Twins. From their wide expressions on the unusually crowded victory stand, neither swimmer minded the company or gave much thought to absent East Germans. Regarding the boycott generally, the athletes know where the asterisks go, and will cheerfully tell anyone else.

Relieving some of the embarrassment of U.S. riches, the most imposing swimmer on the premises was actually a West German, Michael Gross, 20, a world-champion freestyler and butterflyer with the wingspan of a pterodactyl. But even he was overhauled in an exciting U.S. relay and by a 17-year-old Aussie, Jon Sieben, in a butterfly. Though the Australians and also the Canadians had their moments, the drama at the pool was fundamentally and expectably intramural.

Unreasonable expectation will be a problem for the next male class of U.S. gymnasts. But for Peter Vidmar, 23, Bart Conner, 26, Mitch Gaylord, 23, and the rest of these new heroes in white, the team victory over China was an occasion for unrestrained celebration. If the hockey upset of the Soviets in 1980 is an imperfect analogy—and it is—the feeling inside the arenas was similar. Until now the men of this sport have drawn less attention than the women, an inequity Conner can explain in a single word: leotards. But a Nadia Comaneci's or Olga Korbut's influence may have been triggered for boys finally by six amazing young strongmen who are not only their own standard but their own barbells as well.

Nationalism at the Olympics is essentially unavoidable because of the flags and the anthems and the money for the badges. So the home court must be acknowledged as a powerful advantage, though at least it did not extend to ragging the Chinese gymnasts (whom Mitch Gaylord reassuringly called "very human human beings") or to begrudging the Rumanians their corresponding triumph over the U.S. women gymnasts. News that the Rumanians' traveling expenses were defrayed by the Olympic organizers had no noticeable effect on their popularity since it did not change the fact that they had stood up to the Soviet Union.

Everyone stood up for Retton, a resilient child and a killer competitor of 16, whose 92 lbs. of forthright chunkiness

After their soaring triumph over China, the U.S. men's gymnastic team landed on the winners' stand for the first time in the sport's long history

rises scarcely 4 ft. 9 in. from the preposterous base of a pair of size-3 feet. Among her best reflexes is a snappy smile, but the hunter's look with which she fixed Rumanian Ecaterina Szabo, 17, was memorable too as fortune started Szabo off on her best apparatus and Retton on her worst. They proceeded inversely until Szabo dismounted the parallel bars with relief and Retton came to the vaulting horse, her pet pony. A loud bear, Bela Karolyi, the defector who instructed Comaneci and Szabo and now teaches Retton and Julianne McNamara, quietly watched the team ceremony two days earlier and listened to his old anthem from a doorway. "I coached Szabo from the time she was five, [Lavinia] Agache from the time she was six," he said. "I'm feeling happy for Mary Lou and Julianne and the same thing for my former girls." Little Szabo looks like she would sooner fall off the balance beam than neglect eye shadow. When Retton was the winner and she was the loser in the all-around, it was Szabo's turn to watch Karolyi dance.

"I feel sorry for the foreign athletes," said a South African visitor, Glynnis Crouch. "They're not only competing against the U.S. teams but against the spectators as well. They are being demoralized before they even set foot on the field." But except at the boxing matches, where fighting any American must be a bloodcurdling prospect, few opponents have been blatantly rooted against. When Gymnast Koji Gushiken of Japan edged Peter Vidmar by 25 one-thousandths of a point in the all-around competition, and Gushiken cried the tears of a 27-year-old warrior who had been holding fast with more than chalk, not even Vidmar seemed to mind. The U.S. exhibition baseball team was able to square accounts (2-1) with those Taiwanese Little Leaguers, all grown up, without excessive jingoism at Dodger Stadium. Swivel-hipped Mexican Walker Ernesto Canto pleased everyone in the Coliseum with his grand sombrero. Admittedly, that "U.S.A.!" chant can sound a little sour in a 40-point basketball blowout.

Both of the U.S. basketball entries, men's and women's, were devastating during the first week. "Are there a lot of coaches who could take this team and win a medal? Yes," Canadian Men's Coach Jack Donohue asked and answered. "But are there a lot of coaches who could make them play like this? No. There's only one Bobby Knight." It occurred to the Los Angeles *Times's* Jim Murray that putting Indiana's famous bully in charge of an Olympic team is like "assembling an aircraft carrier to ply the waters between Staten Island and the Battery." Murray wonders: "All this to beat Uruguay?" Behind former North Carolina Tarheel Michael Jordan, the Americans crushed Uruguay, 104-68. As yet no international incidents have fulminated from Knight, who is still wanted in Puerto Rico five years after menacing a gymnasium guard at the Pan American Games. He has caused some celebrity to be visited on French Translator Marie Holgado, who is having to fumble for literal meanings to some of his characterizations, and who has set a press-conference record in the use of the word derrière. "Nice man," she said. "Big mouth."

To prepare for a couple of 9 a.m. starting times at the outset of the tournament, the U.S. basketball women forced themselves into a habit of rising at 5:30. Pat Head Summitt, their quieter coach from Tennessee, complained drowsily, "I keep pouring coffee into my cereal." But the players, notably U.S.C. Star Cheryl Miller (6 ft. 3 in.) and Louisiana Tech Guard Kim Mulkey (5 ft. 4 in.), have looked more than alert. In the view of Australian Coach Brandan Flynn, the U.S. women's team is "by far the greatest ever." The Aussies were beaten, 81-47.

Developmental programs in the sports that Americans tend to label minor have evidently taken hold, because the improvement is apparent in even boycotted company. The number of years that the women's volleyball team has stayed and played together were reflected down the stretch in a thrilling victory over China as well as a taut 12-15, 10-15, 15-5, 15-5, 15-12 comeback against Brazil, one of the singular excitements of the Games.

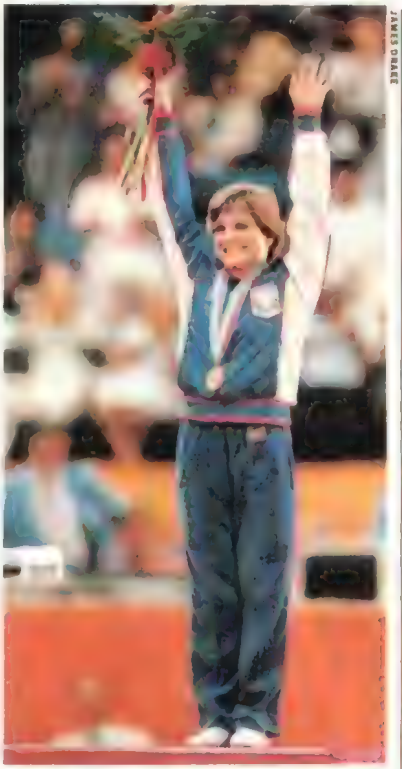
DAVID HUME KENNERLY

The newly confirmed best all-around woman gymnast is lifted in a bear hug by Coach Karolyi after she nailed the perfect 10 she had to have

Several clutch spikes were cracked by 6-ft. 5-in. Flo Hyman, 30, a member of the U.S. national team since 1975. In the oddest-sounding events, like the men's English match small-bore rifle competition (won by West Virginian Ed Etzel), the impression of a rout was confirmed. Where did the U.S. find Air Rifle Markswoman Pat Spurgin, or Greco-Roman Wrestlers Steve Fraser and Jeff Blatnick, or Cyclists Steve Hegg and Mark Gorski? All have won gold medals.

Some of the unexpected moments have been the brightest. Blatnick, 27, a superheavyweight from upstate New York, had his spleen removed because of cancer two years ago. When he won, the level of his emotion was stunning. "It was just an offering of thanks," he said, after dropping to his knees and crossing himself at the moment of victory. "I've been given a lot of chances in my life, and I wasn't going to go without thanking somebody for it." Gorski left the silver medal to Nelson Vails, 24, who learned to ride delivering messages in the mayhem of Manhattan traffic. "If I had to lose, I'm glad it was to somebody like Gorski," he said generously.

There has not been much mean news. One Japanese masseur received a twelve-year suspension for prescribing a forbidden herbal remedy, and a sheared oarlock gate on a French eight-oar boat showed all the marks (file marks) of a saboteur. The regatta venue, Lake Casitas, is the last place one would expect intrigue.



JAMES DRAKE

Retton getting her thrill of a lifetime

Her hunter's look was also memorable.

More than 31,000 annuals, marigolds and petunias (the Olympic flower budget is $250,000), have been trucked in, along with several sycamores. Picnickers piped through the gates each day by a flutist watch the seamanship from blankets spread out on the grass. The civility of the place must be affecting, because though the French and their wounded oar finished last in the heat, the final was broadened to accommodate fairness and one extra craft. "From a sport point of view," the announcement said, it was the only thing to do. What a nice phrase.

A cheater was turned up—where else?—in the modern pentathlon, General Patton's Olympic event, recalling the Soviet pentathlete Boris Onischenko, renamed "Disonischenko" eight years ago when he hot-wired his sword in Montreal. The chicanery of Sweden's Roderick Martin last week was less elaborate, trying to catch up on a neglected target by squeezing off two shots quickly.

Any kind of gunplay is a serious matter at the Olympics, where a Paraguayan trackman put up such a scuffle over a starter's pistol he had been waving around recklessly that he spiked a policeman and was charged with battery. At a city hall ceremony belatedly honoring the eleven Israeli athletes murdered in 1972 (unattended by the International Olympic Committee), weapon-bearing officers were posted on the rooftop. Wherever Israel's team travels in one of the Games' old

Lewis breezes to his first gold with a decisive victory in the 100 meters, though his 9.99-sec. mark just missed the world record

yellow school buses, a wedge of police motorcycles and cars clear the way.

But the first week passed peacefully, with a swath of petty arrests and just one momentary scare: a security guard aboard an athletes' shuttle bus radioed that they were being followed by a suspicious car. In swooped the highway patrol and a sheriff's helicopter. The lawmen arrested a man, who explained his cache of weapons and explosives by describing himself as "a warrior of the people" and voluntary protector of the athletes. He was held for psychiatric evaluation.

Contrary to the direst forecasts of terminal gridlock and rampaging tourism, Los Angeles has seldom seemed so vacant or livable since freeways were invented. A strange term, "free-flow conditions," has been revived, and "Black Friday," the first day all the downtown venues were in session at once, has been survived. The most worrisome congestion may be in the sky, where security men, sheiks and chairmen of the board are churning around in helicopter jams. "All of the talk about smog and heat and traffic scared a lot of people away," said Charles O'Connell, the Olympic traffic-operations chief in Los Angeles. "There was a feeling of 'let's not come to L.A. this year.' " So traffic is also thinner at movies, restaurants and Disneyland's Space Mountain, as the out-of-towners have not kept pace with the let's-get-out-of-towners, rendering hotels uncrowded and compelling rent-a-car companies, among other profiteers, to restore normal rates. Since fully 70% of those attending the Games are estimated to be local, this almost qualifies as a home-town Olympics.

For Juanita Hollands, 38, a bookkeeper at Radio Shack, the fever arrived with the flame. "It didn't seem real to me until I saw the torch," she said from her place in a ticket line. "Now I want to go to every event." It seemed that the only lines in town were for Olympic tickets; officials said they had already surpassed their $90 million projection by $30 million, and that sales were at 80%, compared with 62% in Montreal.

Canto after winning the 20-km walk

There were foreign crowd pleasers as well.

Not only to Americans, to Olympians, the heart of the Games is the track meet, which started on the run over the weekend with Hurdler Edwin Moses going for his 105th straight victory.

One gold medal down, three awaiting, Carl Lewis has begun his flight finally. At times this year it has seemed that he has had more publicity before taking off than Charles Lindbergh enjoyed upon landing. But the evidence of the journey's first 100 meters started to corroborate the cause for anticipation. He gusted past Sam Graddy and Ben Johnson to win, tossed his arms again, plucked an oversize American flag out of the crowd and bounced around the stadium, all eyes where he wanted them. The margin of victory, one-fifth of a second, tied the largest in Olympic 100 history. He cracked 10, but missed the 9.93 world record by .06 sec. Then his gaze shifted to the long jump, the 200 and the relay, to Jesse Owens certainly, maybe even Bob Beamon. The miraculous jump of 29 ft. 2½ in. might still be 4 in. beyond him, but it may be that nothing is beyond him. As the XXIII Olympiad turns for home, his medals will mark the rest of the way. —***By Tom Callahan. Reported by Steven Holmes, Joseph J. Kane and Richard Woodbury/Los Angeles***

Carl Lewis: Man in the Eye of a Media Hurricane

As he began his pursuit of history and Jesse Owens with the 100-meter gold medal last Saturday, Carl Lewis, 23, also took off on the most intense eight days of his life. The week before could not have been a greater contrast. In the swirl of publicity and pressure, Lewis rigorously worked at relaxing, tranquilly creating his own world. TIME *Correspondent Melissa Ludtke, who first interviewed him six months ago, was permitted a rare chance to enter that world and spend some time with Lewis. Her report:*

Though he was raised in New Jersey, Carl Lewis' inner thermostat always registers cool. Lewis loves to run and jump when it is hot. The hotter it is, the better he feels. On this humid Tuesday afternoon, as Lewis prepares for his final workout, the stands at the Santa Monica track are empty save for the security guards who only have eyes for stray spectators trying to pass through the chain-link fence. A female hurdler sprints along one side of the track. Lewis, his coach Tom Tellez, and Carl's friend Kirk Baptiste, a University of Houston sophomore who will run the 200 meter, set up shop on the opposite side. "Carl, go grab the tape measure!" Tellez yells from the stands. Lewis ambles over to the tape.

Anyone who has watched him train knows that the world's fastest human does everything slowly except run. He is slow to start his workout. His warmup is usually a slow jog once around the track. He spends a lot of time talking and walking, slowly. Lewis grabs the tape measure and stretches it 171 ft. along the track, the distance of his approach for the long jump. This is the first activity of most workouts. But Lewis does not normally jump in practice; he merely runs through the paces of his approach. This final workout lasts 40 min. During that time, he takes only three runs. He is in action for a scant total of 30 sec. But Tellez, as serene as his student, intends the last few workouts for fine-tuning, not of the body so much as of the mind. Until now Lewis felt that his efforts had been 99% physical, a mere 1% psychological. "At the Olympics it is 100% mental," he says, "because there is nothing you can change physically."

Away from the track, the essential aim is to keep Carl's life as close to normal as possible. To provide some of the insulation of home, his family has set up house in Los Angeles. Mother Evelyn, Father Bill and Sister Carol, who will probably earn a medal in the long jump, are staying with him in a two-story white stucco house on a residential street six miles from the Los Angeles Coliseum. The house is a haven where Lewis can be himself, by himself. If he wants to, as he did one day last week, he can simply lounge around all morning in his blue cotton nightshirt on the brick patio overlooking a small, oval swimming pool. His mother, an excellent cook, prepares meals for everyone. By noon of one busy morning, she already had dinner made: a variation on shepherd's pie with layers of potatoes, red onions and scallions, green peas and sautéed turkey, topped by a layer of Jiffy biscuit mix—accompanied, as are most Lewis meals, by corn on the cob and a salad.

At "home" in Los Angeles: Mother Evelyn, Carl, Sister Carol and Father Bill

For weeks before the Games, a debate had been waged over whether Lewis would stay with the other athletes in one of the Olympic Villages. He said no. Olympic officials responded with an adamant yes. Two days before the opening ceremonies Lewis compromised, and got his own way. He checked in officially, but apparently no one seems overly concerned about how much time he spends at his room in Webb Tower. Which is very little. Calling himself a "visible" athlete (a rare moment of understatement), he claims that the mere act of walking through the village without being interrupted is difficult. "Distracting," he calls it. "The main issue," Lewis says, "is for me to compete well, not [for officials] to make sure every person stays here or there."

The visible superstar did march in the opening ceremonies. "Really spectacular," he says with remembered pleasure. But he consciously avoided the excitement of most other events. One evening Lewis moseyed over to the Santa Monica apartment of his manager, Joe Douglas, to watch the swimming on television. When Bruce Hayes, an unheralded freestyler from UCLA, held off the final surge of West Germany's Michael Gross to give the U.S. the gold in the men's 4 × 200 freestyle relay, Lewis "got very excited, probably more excited than I will for the 100 meters. I was turning somersaults. I was jumping and screaming. I wasn't resting then. I was emotionally involved. But when it was all over I was resting again."

Neither was he stirred unduly by his customary precompetition press conference. Some of the 700 gathered journalists had grown testy, though, as they waited for Carl, who as usual was half an hour late. He arrived wearing a red leather shirt perforated by hundreds of tiny holes, with black zippers running up the sides. Classic Carl. Some reporters noted that his Olympic haircut made him look like the singer Grace Jones. At the podium as on the track, Lewis is a practiced performer. He even critiqued the inquiries. "That's a great question," he told a British journalist who asked him whether he was running for the money or rather, like Jesse Owens, to become a folk hero for mankind. "My objective," he answered forthrightly, "is to be the role model, not the rich man."

Another objective, for a possible career after his legs no longer support him, led him one night to the ABC control center, where he sat behind Roone Arledge while the network chieftain called the shots for the evening's coverage. Lewis has worked for the past few months at the local ABC affiliate in Houston as an intern, learning what goes on behind the scenes as well as doing on-camera sports interviews. The process fascinates him. After a while, Arledge turned around from the blinking panel of screens and asked, "Do you want to try it?" Replied Lewis: "No thanks, I don't want to be in the hot seat yet." That would be rushing things. This week he will be in the hot seat he knows how to handle. And as always, he will be cool.

OLYMPICS

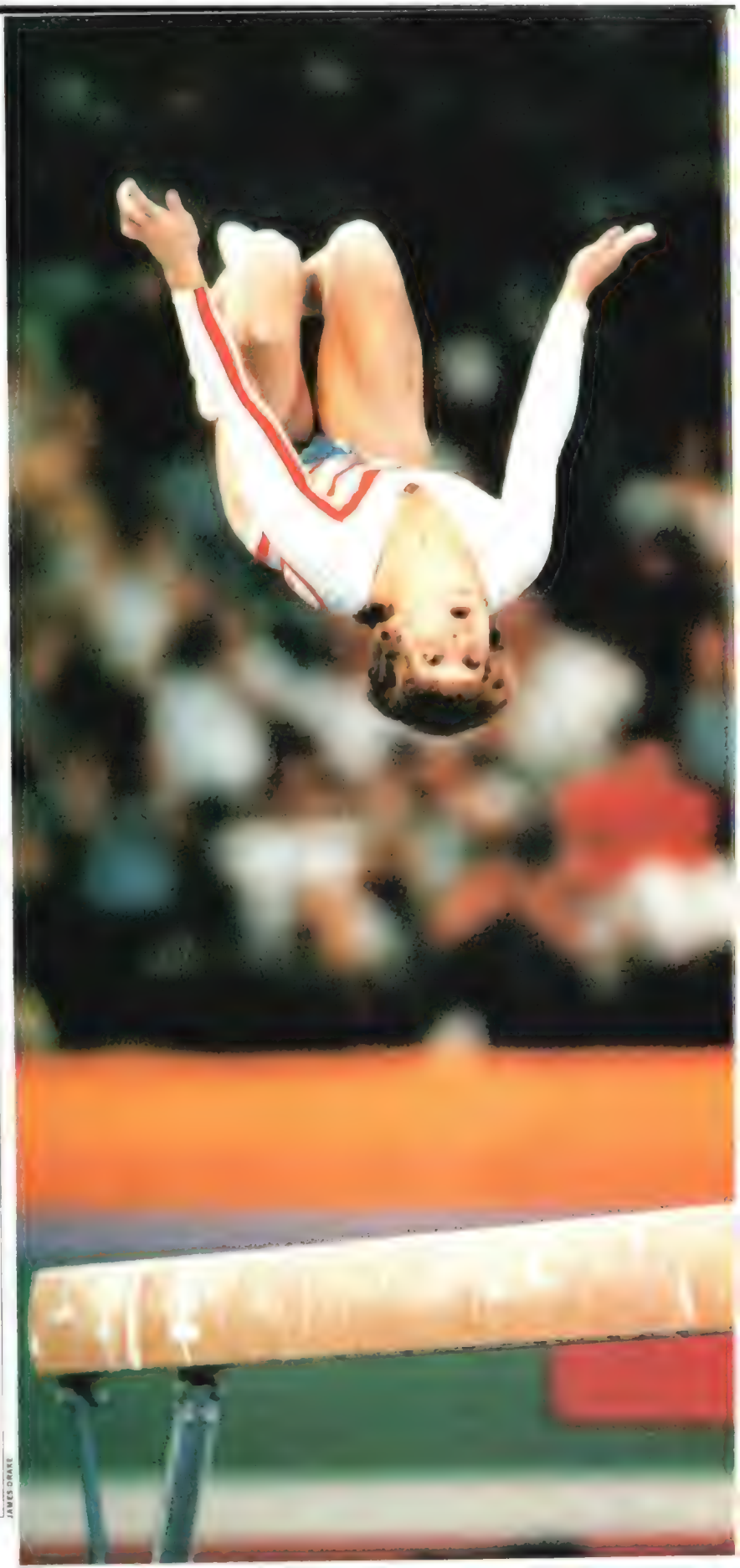
Finishing First, At Last

Led by Mary Lou, U.S. gymnasts fly high

The night before the finals in women's gymnastics last week, Mary Lou Retton, 16, lay in bed at the Olympic Village, conjuring. It was an established ritual for her, no different from the imaginings of a hundred other nights. "I see myself hitting all my routines, doing everything perfectly," says Retton. "I imagine all the moves and go through them with the image in my mind." The following day, the spunky Retton led the U.S. team through a stylish and rousingly high-flying performance. The Americans could not quite match the lavishly talented and seasoned Rumanian team, but their second-place finish won them a silver medal. It was the first team medal ever won by the U.S. in women's international gymnastics competition. The moment fully lived up to Retton's expectations: "It was just like I dreamed it, the excitement, the tension, the crowd, the feeling you have standing on the podium with an Olympic medal."

But as they left the arena, Retton had sneaked a close look at the Rumanians' medals, and told U.S. Women's Coach Don Peters, "Theirs are shinier than ours." Two nights later, everything that glittered was around Retton's neck. She won the gold medal in the all-around championship, the most coveted prize in gymnastics, since it marks the winner as the finest gymnast in the world. It is the crown Nadia Comaneci once wore, and Lyudmila Tourischeva, and which Olga Korbut, for all her charm, was too limited an athlete to achieve. Retton sealed her claim to it in the most dramatic duel in the history of the sport, winning by performing a perfect 10 in her final event, the vault—not once but twice. A lesser score would have meant defeat, or at best a tie. But while the nation held its breath, she flew off the vault and into gymnastics history.

Like Retton, Peter Vidmar and Tim Daggett had a dream. As gymnastics teammates at UCLA, they always conclud-



Retton, the gold-medal winner in the all-around competition, flips high over the balance beam

JAMES DRAKE

JAMES DRAKE

ed their workouts with a fantasy. "We'd pretend it was the Olympics," Vidmar recalls. "We'd turn off the radio, and the gym would be all silent. We'd go to the high bar, and then we'd say, 'O.K., we have to hit both of our routines perfect in order to win the Olympic gold medal.' We always laughed, because it seemed so unrealistic. And all of a sudden, we found ourselves in that exact situation. It was incredible." But not as incredible as how they lived out the dream. Daggett scored a 10 and Vidmar a 9.95 on the high bar to clinch a victory over the world champion Chinese team in the men's finals. It was a first for the men's team as well: their first Olympic medal, and the sweetest one of all—the gold.

The triumphs and the medals once were only dreams. But a boom in gymnastics, especially in the U.S., has brought a gifted new generation of athletes into the sport while extending the careers of experienced competitors. One result, as the Los Angeles Olympics have convincingly proved, is that the U.S. has become a new force in world gymnastics. Indeed, modern gymnastics—more athletic than ethereal, as daring as they are precise—have become a sport ideally suited to the American character. Long dominated by Europeans, especially the Soviets, gymnastics stressed Old World considerations of grace and style as much as athletic power. Whatever gymnasts did—and the feats of strength and agility were considerable—how it was done was as important as what was done: the toes always had to be pointed.

Today the toes are still pointed, but innovations in ancient gymnastics equipment have virtually freed the athletes from gravity, thus making physical pyrotechnics the premiere element of the sport. The mats on which gymnasts tumble are no longer mere padding to protect against injury, but launching pads mounted on springs. The extra oomph affords additional milliseconds of hang time during which gymnasts can twist and twirl through the same maneuvers as a high diver's. For male gymnasts, wooden dowels inserted into their leather handgrips allow a lock-grip on the high bar and make possible daring-young-man flyaway tricks like the Gaylord II *(see box page 46)*.

It took the Olympics to showcase the new gymnastics and their freshly minted champions in a week of competition as razor close as it was electric. How far the sport has come in its public appeal could be seen by the crowds that thronged into the 12,700-capacity Pauley Pavilion on the UCLA campus for every major event. One of the dozens of NEED TICKETS signs outside the men's team finals was held aloft by a young UCLA student. Three members of the men's team are fellow UCLA Bruins and, she noted, things were different at their college meets: "I used to get in free, and there would be about 30 people in the stands at Pauley," she said.

Daggett, a stalwart of the championship men's team, shows his form on the high bar

The winning vault: Mary Lou whirls and twists to score a perfect 10

A study in power: no other woman leaps to the heights she reaches

American brashness: exemplifying gymnastics' new look

"Now tickets cost $95, and a million won't get you in."

True, but it was worth the price. The members of the U.S. men's team had been practicing together for five weeks, and during that time old rivalries that began in junior competitions and collegiate careers were put aside. In team gymnastics, teamwork rather than solitary brilliance is what makes the victory. As routines become more complex and difficult, the maximum score of 10 does not mean perfection so much as it means a better and harder performance than the previous competitor's. For that reason, the order in which gymnasts compete is crucial: coaches send out their lineups of six team members in inverse ratio to their accomplishment. The weakest competitor in a given event goes first, and his score becomes the base with which the rest are compared. If the first scores well and the second a bit better, the judges' scores ratchet up until, finally, the top performer goes out last in hopes of building on a base now escalated to 9.90 or 9.95.

The strategy sounds simple, but the catch is that it is predicated on sacrifice. Thus Bart Conner, at 26 the smooth old master technician of the squad, an Olympian since 1976 and one of two American men since 1932 to win an individual gold medal in a world championship (the other: Kurt Thomas), was sent to the floor second and third to "make base" for the more flamboyant routines of Vidmar and Mitch Gaylord. Similarly, James Hartung, 24, and Scott Johnson, 23, dutifully rolled out in the early rounds, though they knew that in doing so, they gave up their hopes for individual medals. Says Gaylord: "In every other meet I've competed in, the egos come out when the coach announces the lineup. But this team is unique. There was never a complaint, just one goal: to pump up the scores for the team, not for individuals."

Rumania's Szabo displays Continental grace

DAVID HUME KENNERLY

Even Gaylord, performer of the world's most difficult high-bar routine and an acknowledged favorite for a 10 if he performs sixth in the rotation, went third during the finals to boost the score for his teammates. The successful completion of his patented Gaylord II earned a 9.95 and, more important, made Daggett's 10 possible. U.S. Men's Coach Abie Grossfeld sums it up: "We won because our fourth, fifth and sixth guys were better than theirs."

Still, it was a near thing. As the competition began the last two of its six events, just hundredths of a point separated the Americans and the Chinese, with the Chinese leading as they headed toward the high bar, their strongest apparatus, and the floor exercise. The teams set up side by side at one end of the arena, the Americans on the parallel bars, the Chinese on the high. Their scores flashed sec-

All-Around Silver Medalist Vidmar: "We'd pretend it was the Olympics"

Gaylord soars through a tumbling sequence: "This team is unique"

The veteran Conner: "I'm so happy I stayed around to be part of this"

onds apart in a tit-for-tat exchange of steadily mounting tension. Johnson opened with a 9.80 to Li Yuejiu's 9.90. Hartung countered with a 9.90, while the Chinese leveled off, unable to push their scores higher. Finally, Conner topped out with a 10; the U.S. team pulled ahead.

In the last event, as the U.S. moved to the high bar, Johnson failed for the first time in the competition, touching down with his hands as he landed after an otherwise respectable routine. His 9.50 was a shaky foundation, but the lowest score in each round is discarded and need not prove fatal if the rest of the team recoups. Hartung promptly notched a 9.80, and the base was firm once more. Gaylord followed with a 9.95, Daggett with a 10, and it was over.

The following night, it was the women's turn. But instead of protecting a lead, the U.S. team was chasing the Rumanians. With Comaneci in residence at the team quarters in the Olympic Village (and introduced each night to an ovation from the crowd), Rumania's women could never forget their legacy or fail to uphold it. Yet it was a burden they bore lightly. When one of the team's top performers, Lavinia Agache, 18, was asked if she wanted to be as good as Nadia, she replied, "Yes. I want to be better."

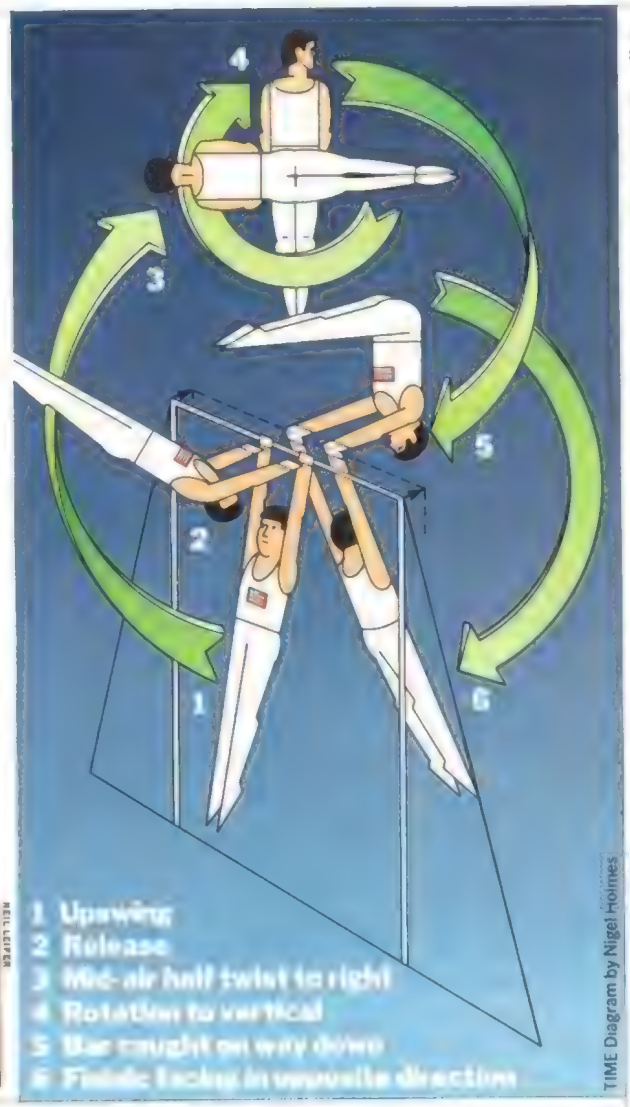
There are no Nadias among them—her particular perfection remains unchallenged—but it is fitting that the Rumanians won the gold medal on the balance beam, the event that Comaneci had once commanded with uncommon aplomb. The beam, a 4-in.-wide strip that demands the greatest precision and exacts the severest penalties for the minutest errors, is the great winnower of women gymnasts. It is a tightrope without a net, and every bit as dangerous as turning handsprings on a cliff. Beam injuries have been crippling, and few women ever lose their fear of it. When it is done well, the beam reveals a choreographed grace made lovelier by the rigors of its execution. But make a mistake, lose balance for a nanosecond, and the result is an ugly flailing of arms to remain perched on the thing or a bone-crunching fall.

Japan's Gushiken shows the world he won

To this unforgiving apparatus was added the obligatory flap over judging, without which no gymnastics meet would be complete. Like figure skating, gymnastics is a subjective sport: performance is in the eyes of the judges beholding it. National loyalties and geopolitical considerations being what they are, the beholder can cast a blind or a jaundiced eye, or an indulgent one, depending upon where the gymnast is from. During the compulsory exercises on the balance beam, U.S. Coach Peters lodged four protests over marks given to the Americans by Rumanian Judge Julia Roterescu. But having gone 4 for 6 in the complaint department,

Gaylord's Masterpiece

It is over in a flash: a heart-stopping .81 sec. "But when you're up there, it feels like forever," says U.S. Gymnast Mitch Gaylord of his specialty, the Gaylord II. As he plummets, Gaylord's hands must pass within 1.5 in. of the bar or he may crash. Says he: "One time when I was a little kid I jumped off a bridge into water. As I was falling I tried to breathe in and couldn't, because all the air was in me. That's how I feel when I look down and I'm falling toward the bar. All the air is in me." Two of Gaylord's UCLA teammates, Tim Daggett and Tony Pineda, worked on the maneuver before Gaylord. "Hey, I'd like to try that," Gaylord said. So far he is the only gymnast in the world to master it.



TIME Diagram by Nigel Holmes

Peters went 0 for 4 in the appeals process. Nonetheless, he had his point. Roterescu consistently gave the Americans scores as much as .4 and .5 of a point below those given by the other three judges, yet she gave one Rumanian a 9.90 despite a near fall, supposedly an automatic .2-point deduction according to the rules.

During the second night's competition, the rest of the judges could only agree, if not in such inflated terms, with Roterescu's opinion of the Rumanian team's performance. At the same time, some of the U.S. stars were not at their best. Julianne McNamara, 18, forced to wait for more than five minutes while Roterescu's previous score provoked another judges' haggle, lost her concentration and fell doing a mount that she has not missed in years. Crashes are contagious, and the rest of the American team struggled to remain aboard during their routines. In all, the U.S. team lost an insurmountable 1.8 points to the Rumanians on the balance beam. The battle for the gold ended there.

Despite brilliant moments, the American team was just not as deep as the Rumanians; the fourth, fifth and sixth competitors could not lay the foundation as their male counterparts had. Michelle Dusserre and Pam Bileck, both 15, performed with the skittishness of youth, doing well in some events and faltering in others. It was left to Kathy Johnson, at 24 the admitted "old lady," to anchor the team. Hers was the steadying base on which the higher scores had to be built.

As for America's top women, they showed that they can now hold their own with anyone in the world. That includes the absent Soviets, who defeated the Rumanians in the 1983 world championships and whose top gymnast, Natalia Yurtchenko, would have been a favored contender for individual honors in these Olympics. Julianne McNamara is the best there is on the uneven bars. Her line is as perfect as a ballerina's, and she flows so lightly from one bar to the next, one movement to another, that the bars sing for her. She got a 10 to prove it. On the floor exercise, she won another perfect mark with choreography in which she seemed to levitate.

Retton, by contrast, is a 4-ft. 9-in. study in power, able to leap tall buildings with a single bound and do a full-twisting layout double Tsukahara (a maneuver only a few men in the world can perform) while she is at it. On the vault, she earned a 10 with that trick, which calls for pouncing onto the vault, then pushing into the stratosphere with her arms and twisting 360° while doing a double somersault with her body perfectly straight.

Thanks to such razzle-dazzle, Retton led the field at the beginning of the all-around competition with a cumulative score of 39.525 points. Just behind her, with 39.375, was Rumania's leading gymnast, Ecaterina Szabo, 17, a smoothly solid performer who rarely makes mistakes. Tied for third place were another Rumanian, Laura Cutina, 16, and McNamara, with 39.200.

Beginning on the beam, Szabo lived up to her reputation, and confirmed the Rumanian dominance of the event, by stepping up cold and calmly nailing a 10. She not only performed risky maneuvers flawlessly but managed to make her narrow ground seem like a stage for the Bolshoi Ballet. At one point she rolled off four consecutive backward handsprings, one more than the beam seems capable of containing and two more than any other gymnast tried. Retton's performance on the uneven bars, on the other hand, was, for her, mediocre. The judges gave her a 9.85, and the score was tied.

In the second series, Retton gave a creditable performance on the beam, but she had one serious loss of balance after landing a back somersault. The judges marked it, by the book, for a 9.80. Szabo moved to the floor exercise. There again, she was as athletic as she was balletic, alternating stunning twists and turns with lyrical dance movements. Her 9.95 put her in the lead by .15 with only two events remaining.

Retton had her turn on the mat next. Nowhere is the difference in the two performers' styles more apparent. If Szabo is European velvet, Retton is muscular American brashness. No one can generate her speed or leap to her heights; she can do numbers in floor exercises known only to men. On her first tumbling run, she pounded out enough time in the air to pull off a layout double back somersault, and exploded into a dazzling smile. It did not dim for the rest of her routine. When she landed her final twisting somersault, she had notched a 10. Szabo did not give any ground, however. She went out with solid 9.90s on the vault and, finally, the uneven bars.

So it came down to Retton on the vault in the final event. As she waited her turn, her personal coach, Bela Karolyi, leaned across the photographers' barricade from his seat in the stands and showed her a piece of paper on which the arithmetic had been done: score a 9.95 to

IF YOU WANT JAZZ, WE'LL TAKE YOU THERE.

The greatest jazz in the world. Brought to you by one of today's greatest jazz performers. JVC.

A JVC High Fidelity System doesn't play music. It is music. Music so real, so pure, the performance lives.

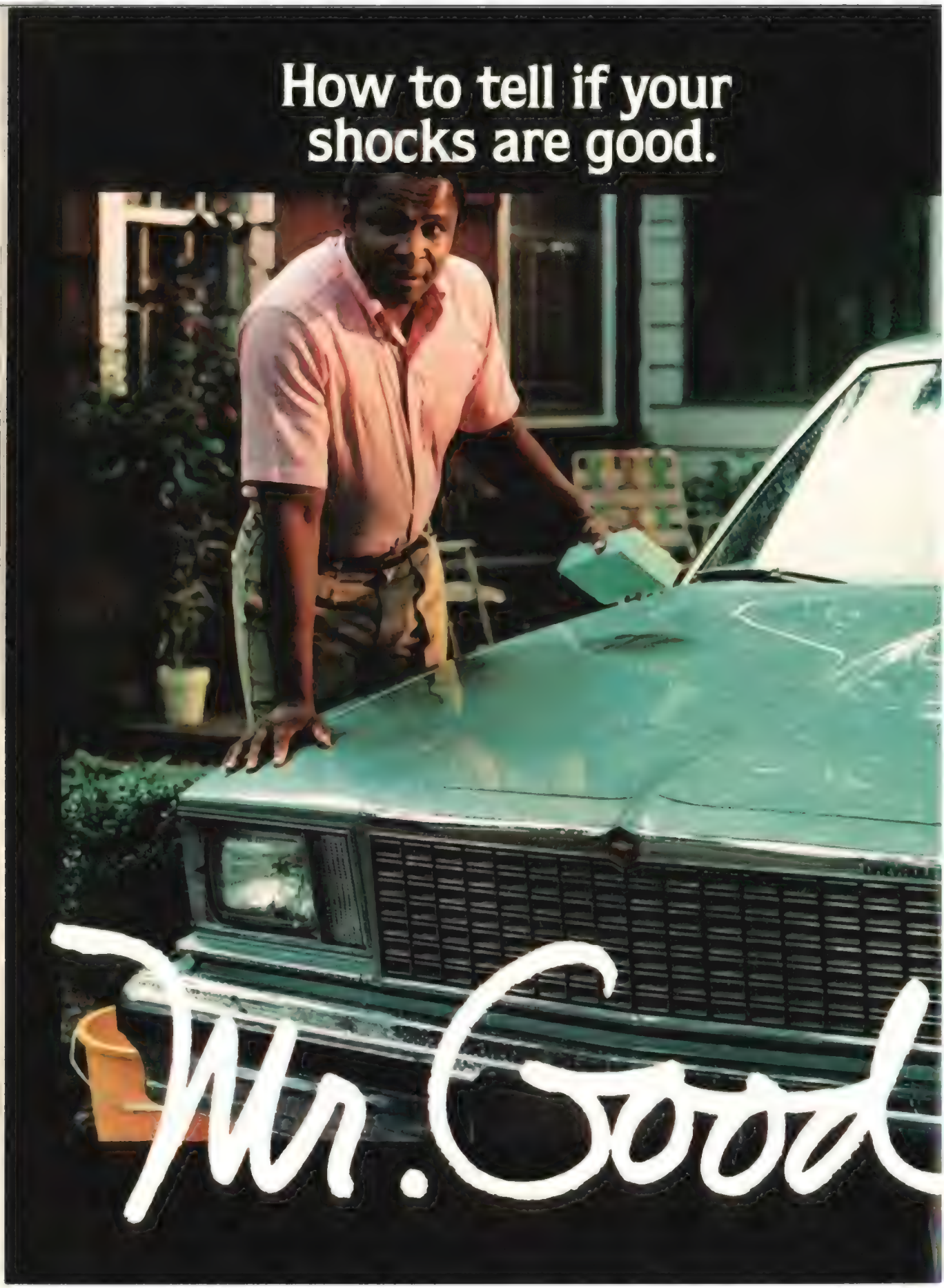
Our components reduce six different kinds of distortion down to inaudible. So there's nothing between you and the music.

You're there.

That's what makes JVC such a tough act to follow.

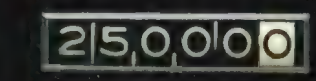
JVC. We take you there.

JVC


How to tell if your shocks are good.
Mr. Good

And what to do if they're not.

Here's a tip from Mr. Goodwrench on how to check shock absorbers. "Just push down on a corner of your car. Hard. Two or three times. Release. The car should rebound and then stop if your shock is O.K. Repeat on all four corners.



"Even the finest shock absorbers wear. After 25,000 miles, you may notice other symptoms. Here are things to watch for. If your car leans after changing direction. Or keeps bouncing after a bump. Or if your tires show cupping or have unusual wear at any one spot you should do the shock test.

"Also look at each shock absorber. Is it leaking oil? Is a mounting broken? Is the shock dented? Are bushings worn?"

Good shocks mean more comfortable driving. So if you need

CUPPED TIRE

shock absorbers, see Mr. Goodwrench. He has the right training. GM training. And the right parts. Genuine GM Blue Line shock absorbers with a lifetime limited warranty for as long as you own your General Motors car or light-duty truck. You'll find him at participating independent GM dealers who sell Chevrolets, Pontiacs, Oldsmobiles, Buicks, Cadillacs, GMC and Chevy trucks.

wrench

GM QUALITY SERVICE PARTS

GENERAL MOTORS CORPORATION

LET'S GET IT TOGETHER...BUCKLE UP.

KEEP THAT GREAT GM FEELING WITH GENUINE GM PARTS

"The quality of Smirnoff is classical. Its value merits a standing ovation."

PINCHAS ZUKERMAN,
world-renowned violinist.

"When I play, I strive for the highest quality in my performance.

"I look for the same standards in my vodka. I know that Smirnoff® vodka is distilled from the finest grain, and then checked 47 times for quality and smoothness. In short, it offers a virtuoso performance. You may pay a little more, but you'll find Smirnoff is worth more.

"When it comes to vodka, Smirnoff plays second fiddle to none."

Smirnoff
LEAVES YOU BREATHLESS®

There's vodka, and then there's Smirnoff.

tie Szabo for the gold, score a 10 to stand alone as all-around champion. Anything less would mean the silver. He bent down to hold and shake her shoulders; she nodded intensely.

At last the green light signaling her turn came on. In the tense silence that fell, one could hear her feet drumming the runway, then she leaped onto the springboard and pushed her handspring high toward the banner-draped rafters. She twisted, turned and landed without having to move so much as a toe to keep her balance. Neither Retton nor Karolyi nor the crowd needed a judge to tell them it was perfect. Without waiting for the 10 to flash, Retton ran to the barricades for a quick embrace with Karolyi, then, strutting the pigeon-toed linebacker's walk that more than anything else reveals her power, she hopped back on the runway to wave to the crowd and shake her fists overhead in triumph. For one long moment she looked to the ceiling, where all those dreams had been every night. And then, as if embarked on a public "pinch me to see if I'm real," she went out and did it again, another 10 on another double-layout Tsukahara. The first U.S. Olympic all-around champion had crowned herself.

Retton, in fact, is the exemplar of what Bela Karolyi calls "the new kind of gymnast." Says he: "She's strong and powerful and athletic; not a little flower, a little flyer." Karolyi, who discovered and trained Comaneci and presided over the early development of Retton's principal rivals from Rumania, Szabo and Agache, knows a trend when he sees one. In his 4-ft. 9-in., 92-lb. dynamo, he knows he has found a star.

Retton seemed fated for gymnastics since she was a toddler in Fairmont, W. Va. "I was one of those hyper kids, always jumping up and down on the couch and breaking things," she says. In self-defense her parents sent her off to an acrobatics class. At first, she went to the gym just once a week, but, she says, "I just got better and better, and so the people who ran the acrobatics class decided to start a gymnastics club so I could train to see if I could keep improving." By 14, she knew she could strike for the first rank if she could find the right coach.

Conveniently enough, Karolyi and his wife Marta had just defected from the Rumanian team during an American tour. They walked into the New York office of the Department of Immigration and Naturalization with no assets other than the suitcases in their hands and a world of gymnastics knowledge in their heads. They opened shop in Houston. A year later, having met Karolyi at a meet, Mary Lou and her parents packed her bags and drove 24 hours to Texas. "It was at Christmas time," Mary Lou recalls. "Leaving home was so hard."

JOHN IACONO

Silver secured, the U.S. women celebrate

JOHN IACONO

At the medal ceremonies, Retton about-faces to acknowledge the cheers

"It was just like I dreamed it, the excitement, the tension, the crowd."

She lived with a local family whose daughter is also a top-flight gymnast. The relationship she formed with her coach was and is close, as any television viewer could see last week when she veered off to confer with him, and get encouraging hugs, before every step on the arena floor. They have even come to gesture alike, with Mary Lou pounding a fist into a palm when a routine goes well and summoning a Balkan shrug when it does not. Says Karolyi: "It's an excellent kid, Mary Lou. She's so powerful physically, and she's mentally powerful too. I was teaching gymnastics 25 years, and had many world and Olympic champions. But I never had somebody more positive and dedicated than this little girl."

Mary Lou had to prove it during the weeks leading up to the opening ceremonies. In June, torn cartilage caused her knee to lock. She flew to Richmond, Va., for eleventh-hour arthroscopic surgery to remove three fragments that had drifted under her patella. Doctors operated at 8 a.m., making three small incisions to remove the cartilage, clear the blockage and restore flexibility to the joint. At 7:30 p.m., she boarded a plane to Houston; the next morning, she was in the gym riding an exercise bike. Exactly two weeks after the surgery, she was flying through the air and landing without a wince. Six weeks later, she had become the first American all-around gymnastics champion in any international competition, let alone the Olympics.

On the men's side, Peter Vidmar missed the same distinction by an achingly narrow margin, falling short of the gold in the all-around by a mere .025 point. "Twenty-five one-thousandths of a point," says Vidmar. "Maybe I wish the difference would have been two-tenths or three-tenths. Now I could say, 'If I didn't take a step here, if I didn't take a step there.' " In fact, it was precisely two steps that cost him the gold. In the floor exercise, he was twice forced to take a small step at the end of his tumbling runs. His score of 9.80 was his lowest of the night and a full tenth of a point less than his previous low in the event. In the three-decimal-point terms of Olympic scoring, that tenth of a point could have converted his .025-point deficit into a munificent lead.

The man who beat Vidmar was Japan's Koji Gushiken, who won the gold with a performance as gritty as it was fine. At 27, he had come to Los Angeles to cap his career, but his chances seemed fatally damaged when he fell from the pommel horse during the second day of competition and scored 9.45. But after that debacle he said, "I did not come here to fail." And so he did not. Gushiken is a gymnast of another generation, noted less for the daring supertrick than for the traditional virtues of technical mastery and elegant style. He relentlessly kept the pressure on Vidmar, racking up superior scores like a machine. In a total of 18 routines, he scored 9.90 or better on 13 of them. Vidmar, by being only slightly less consistent, ended up with the silver medal, still an impressive accomplishment.

As the week ended, the American men as well as the women could look forward to the prospect of further medals in contests on individual apparatuses. But for a nation that previously had won but two Olympic gymnastics medals in 52 years, the market had already been brisk indeed. It was the oldtimer Bart Conner who best summed up the dramatic transformation that had taken place. "I've been a part of gymnastics in America when we weren't any good at all," said Conner. "To be a part of it now when we come to this moment, when we finally pull it off ... I'm so happy I stayed around to be a part of this. From this moment on, we will always be Olympic champions."

—*By B.J. Phillips*

Double your pleasure, double your gold: Steinseifer and Hogshead go head-to-head again after their unprecedented tie

OLYMPICS

A Tidal Wave of Winners

U.S. swimmers, men and women, left opponents in their wake

The shape of a swimming race, when form holds, begins as a shallow V, swept back from Lane 4, where the fastest qualifier starts, to the humble wing positions of Lanes 1 and 8. The V sharpens until, if No. 4's lead is great enough, it looks like the prow of a ship. When this fails to happen—when the V does not take form, or when its point is unbalanced to one side or the other—the spectator high in the stands comprehends the surprise first not as an aberration of numbers, of hundredths of a second, but as a jarring visual distortion; and here in the women's 100-meter freestyle, the first race of the '84 Olympic Games, there was no V.

Nancy Hogshead of the U.S. had qualified fastest on the first day of competition, but only marginally. She is 22, a prelaw student at Duke and old for a swimmer, like many of the other veterans on a squad that regards itself as covered by vines and lichen. Of 43 team members, 36 are 18 or older. Hogshead was on the 1980 Olympic team, then slogged through the emotional swamp caused by the U.S. boycott. The next year, worn by a practice routine that had her up at 4:45 every morning from seventh grade through high school, she quit swimming. "I could eat cookies for lunch," she recalled last week. But after a year and a half in dry dock, she returned. "I hadn't finished my career the way I wanted to," she said. She had been a butterfly and individual-medley specialist, but she turned herself into a freestyle sprinter. Hogshead was prepared for this race: all 20 nails were painted red.

But she did not dominate from her Lane 4 position, and was second at the turn. In Lane 3 was the third-fastest qualifier, Hogshead's teammate Carrie Steinseifer, 16, a high school junior from Saratoga, Calif., who was also her Olympic Village bunkmate (Nancy upper, Carrie lower). Steinseifer, a happy camper whose blond hair had just been whacked off in Olympic punk style by Hairdresser Vidal Sassoon, had been only vaguely concerned with the 1980 boycott because "I wasn't really into swimming then." Last year she won a gold at the Pan American Games. Now here she was, wearing out the water with her thrashing crawl. Then, on the other side, in Lane 5, Annemarie Verstappen of The Netherlands, a lanky and apparently boneless 19-year-old, pulled to the slightest of leads. But 25 me-

Photographs for TIME by John Iacono

ters from the finish, Hogshead caught Verstappen, and Steinseifer was catching Hogshead, chopping through a communal bow wave. The Dutch racer faltered, and the two Americans surged on. The scoreboard at first registered Steinseifer as the winner, then corrected itself: the first two times were identical, 55.92 sec. For the first time ever, two gold medals were awarded in an Olympic swimming race. Verstappen got the bronze.

That was the splashy beginning of a week of competition that had both swimmers and sinkers in the audience awash in noisy enthusiasm. And on the point of drowning in home-grown chauvinism, it should be said. When it was over, the U.S. had won 20 firsts in 29 events (counting the unprecedented double as one). Raw-meat roars of "U.S.A.! U.S.A.!"—part innocent glee and part boorish excess—greeted the appearance of each U.S. swimmer and the bemedaling of each new national hero.

This baying, to be sure, did not noticeably discourage the guest athletes. The Canadians, who had not won a gold medal in Olympic swim competition since 1912, collected four golds, three silvers and three bronzes. Their heroes, two-time gold Medleyist Alex Baumann and Breaststroker Victor Davis, who have maple leaves tattooed on their chests, and Breaststroker Anne Ottenbrite, who does not, cheerfully threw Frisbees into the crowd on their way to get their medals. The Dutch women may have deserved an award for the most medals from the smallest country: a total of six, including Petra Van Staveren's gold in the 100-meter breaststroke. The Australians took a host of silvers and bronzes and seemed ready for better things. Finally, an unknown 17-year-old Aussie named Jon Sieben came out of deepest anonymity in Lane 6 to win the 200-meter butterfly over a singular West German named Michael Gross, beating Gross's world record by one-hundredth of a second.

Gross, never mind upstart antipodeans, was the dominant swimmer of the meet. He is a very tall, haunted-looking fellow whose nickname is the Albatross, and he soared above everyone else on air currents only he was able to find. He is 6 ft. 7½ in. tall and so thin he looks frail. His arm span, which on average should equal roughly his height, is an astonishing 7 ft. 4 in. He is the only male swimmer since Mark Spitz to hold world records in two strokes at the same time, and the combination of his success and his unusual architecture has swimming experts muttering in awe. His close-set eyes and long, beaked nose give him an expression of alert irritability. He is said to be arrogant, but before his first race a private kindness showed a different side of his nature.

The story began at the U.S. swim trials a month before, where John Moffet, accustomed to trailing home behind Veteran Steve Lundquist in the 100-meter breaststroke, not only beat the blond, gorgeously muscled Lunk, as Lundquist is called, but

The Albatross in his element, and Carey, below, who won the race and lost his temper

Meagher scooping up the 100 meter: "Oh please, oh please," sang Madame Butterfly

Her finale was grand: Caulkins taking the 400-meter individual medley

A tattoo of Canadian medals too: Baumann hits on the 400-meter medley

set a world record of 1:02.13. At the prelims on the first morning of Olympic competition, Moffet qualified fastest, in Olympic-record time. But four strokes into the second 50, he felt a muscle let go in his right thigh. Hours later, after a shot of Xylocaine, he swam the final in pain and managed a fifth place on arm power and guts. Lundquist finished in new world-record time and then comforted Moffet. That was to be expected; Lundquist, who has had his own ups and downs since 1980, is an openhearted fellow and a teammate. But after Moffet left the pool on crutches, the foreigner who took the trouble to come over and offer sympathy was Michael Gross, not even a close acquaintance. "It was a class act," said Moffet, whose own act had been just that.

Gross went on to win medals—two gold and two silver. One of the silvers, for the 4-by-200-meter relay, missed being gold by the diameter of the medallion. Earlier that day Gross had qualified for the 100-meter butterfly, then won the final with a world record of 53:08. The U.S. 4-by-200-meter relay team, knowing Gross awaited them at the anchor leg, went at their business quickly. Six other teams were in the water, but not really in the race.

Mike Heath, at 19 one of the bright new hopes of the U.S. team, swam his 200 meters in front of the pack and beat his West German opponent by a body length. David Larson gave almost a second body length to Jeff Float, another boycott veteran, swimming his last race for the team. Float gave back a little, but when Bruce Hayes hit the water for the final leg, he had a length and a half on the Albatross. Remarkably, Gross had made up almost all of it by the end of the first 50 meters. Hayes kept a fingernail lead at the 100-meter turn. But the West German hit the last turn ahead. He held a lead through most of the closing 50 meters. Then Hayes, his arms seeming to revolve twice for every slow beat of Gross's great wings, began to claw it back. He was well behind at ten meters, still behind at five, not yet even at two. He hit the electric touch-pad on the pool end-wall four-hundredths of a second ahead of Gross. Both men sagged in the water as the rest of the field finished. Then Gross, who had just swum the fastest 200 split in history, congratulated Hayes, and added one word: "Unbelievable."

This was the meet's highest drama, although U.S. men's relay teams also won their remaining races in world-record times. Swimmers continued to file in, full of resolve or resignation, and to fill the panic time before their races by ritualistically kneeling to splash water on their faces, and then slowly peeling off many layers of sweat clothes. Most of the men were powerfully built and conventionally handsome, and most of the women were spectacularly graceful. A brass band played busily for their entrances and exits, and the sun shone on them through a sky that was clear and blue overhead.

The sun was not to the liking of backstrokers, because the new Olympic pool was laid out east-west instead of north-south, and the glare got in their eyes on every turn, so they said. One backstroker, the best in the world by nearly a second, sulked on the victory stand after winning a gold in the 200 meters. This was Rick Carey of the U.S., who had cockily promised a world record, and then failed to swim it by almost a second and a half, which is to say by a ton or so. On the way out of the stadium he did not wave at the crowd or acknowledge the cheers of his teammates. He got booed. Carey later issued a written apology to fans. A few days later he got another gold, in the 100 meters, and though this too was no record, he managed a smile.

In one race, the 100-meter freestyle, a fast-gun start left everyone except U.S.

Veteran Rowdy Gaines flatfooted, and Gaines, who is retiring, set an Olympic record. West German Thomas Fahrner got so angry at himself for failing to qualify for the 400-meter freestyle that in the consolation he broke the brand-new Olympic record just set by George DiCarlo of the U.S. He got an Olympic record, a big hand, but no medal.

Talk of boycotts recurred through the week, to the vexation of U.S. Head Coach Don Gambril, a positive thinker. The missing male swimmers probably would not have made much difference, give or take Soviet Distance Man Vladimir Salnikov. The East German women would have changed some results. But it was the 1980 boycott that had the most powerful effect on these '84 Games. Sixteen members of the present team had been set to swim in Moscow, and most of them would not still be around had they done so. Tracy Caulkins was a team star as long ago as the world championships of 1978, when she won five golds; now it was grand to see her, at 21, glide majestically through the 400-meter individual medley to a gold, and then repeat her performance with a powerful Olympic-record victory in the 200-meter medley. Cynthia Woodhead was a threat to win six golds at Moscow; she has won twelve national titles. Like most of the veterans, she has survived a low period in which training and competition made no sense. Now, entered in a single race, the 200-meter freestyle, she finished second behind Teammate Mary Wayte, 19, only a year younger but a generation fresher, since she is a postboycott team member. Afterward Woodhead was radiant, satisfied. Mary T. Meagher, an elderly 19, is satisfied too, and she should be. As a 15-year-old she was favored to win both butterflies at Moscow. Instead she hit her peak a year later, setting a 100-meter mark that neither she nor anyone else has touched since. Last week Madame Butterfly, as the press has dubbed her, had no trouble winning the 100 fly, and the 200 fly to top it off.

Nineteen-year-old veterans are not the wave of the future, however. The mind of the swimming buff turns, in a pleasurable way, to the woman—no, let's say it, girl—who beat Meagher in the Olympic trials. She is Jenna Johnson, 16, a willowy, 6-ft. ½-in. redhead who is a junior from La Habra, Calif. Here in the 100 fly she charged out ahead of world-record pace—Meagher's record—and turned ahead of Mary T. "Oh please, oh please," said Meagher aloud as she ground away with 25 meters to go. "Oh no, here she comes," thought Johnson. As she admitted later, "I didn't have anything left." Not true: she had enough to win the silver, which contrasted nicely with the gold she had won two days before in the 400-meter freestyle relay. Properly viewed, however, her 50-meter charge was a wait-till-next-year statement. Johnson will be stronger next year, maybe bigger. Wait till then. And just wait, the swim buff thinks, till 1988! *—By John Skow. Reported by Melissa Ludtke/Los Angeles*

A victory turn around the pool: Hogshead and Steinseifer after gathering cheers and bouquets

Lunk, as in Hunk, and the great Gross celebrate, as does 200-meter Freestyler Wayte, below

AZEL—CONTACT

Scattered Heroics

Television edits ruthlessly: cameras record every leap and thrust, but only one event at a time shows up in the living room. The gymnastics just ended; the sprinters are on; next is volleyball. That serial focus is misleading, TV's accommodation to our one-track minds. For the Olympics are happening all at once and all over the place. Only the epicenter is in Los Angeles. A slick L.A. cheer infuses the whole—banners the color of coral, the velodrome's playful curves—but not even the city's flabbergasting sprawl could encompass this Olympics' venues.

There is even more to it than the exotic scatter of events. As always, the truly Big Picture is an array of infinitesimal glimpses: the swimmer understanding that she has lost, the gymnast glancing back at the scoreboard with a double take, almost panicky, to make sure the 10 really was a 10. Moments before victory, moments without victory, moments beyond victory. All of them Olympic.

DAVID HUME KENNERLY

DAVID HUME KENNERLY

■ Streamers in sunny Los Angeles hues enliven the soaring void of UCLA's Pauley Pavilion, where gymnasts flouted gravity and prudence to win their medals: Julianne McNamara of the U.S. balances on the beam. ■ Only in America—here at Fairbanks Ranch Country Club in San Diego—would they build a wonderfully hokey wild West course for equestrian cross-country competitors. ■ The Hunger brothers came from West Germany to slice their 470-class yacht through blue San Pedro Bay. ■ Lightweight machines and lean riders, gliding at startling speeds and angles round and round: Nelson Vails of the U.S. at a curve in the velodrome.

DANIEL FORSTER

RINGLAND—SYGMA

■ In the shadowy green hush of the rifle range at Chino, French Marksman Philippe Cola stands at the ready. ■ Women warriors: a field-hockey collision between a West German and an Australian looks, for one fierce moment, like slam dancing alfresco. ■ Leaping, reaching up and *demanding* that the volleyball fly over the net, players from China on their way to victory over Brazil. ■ Israeli Meir Daloya strains under 264 lbs. of iron, brings it up, up not quite enough, and down, down, maddeningly fast.

DAVID HUME KENNERLY

RICK LEVINE

ARTHUR GRACE

DAVID HUME KENNERLY

ARTHUR GRACE

ERROLLY—SIPA/SPECIAL FEATURES

■ In the swimmers' 400-meter freestyle, Kim Linehan of the U.S. finished fourth; afterward, behind the stadium, away from anthems, bouquets and laughter, she stands alone with her father, accepting his special comfort. ■ Nobody is perfect: during the women's team finals, gymnastics judges debate American Kathy Johnson's score. ■ After riding a horse and fencing and shooting and swimming and, at last, running, British Pentathlete Richard Phelps staggers in, worse for the wear. ■ Equestrian dressage, one of the most stylized Olympic events, is formal, even stiff—unlike these exhibition riders, who take a bow after entertaining spectators between sessions.

Pushing Their Pedals to the Medals

Spunky, savvy and high tech, U.S. cyclists go into top gear

In 1980, Connie Carpenter, 27, a former U.S. amateur speed skater and the 13-time national women's cycling champion, retired from cycling in a country that paid little attention to and even fewer dollars for training. Then in 1981, hearing that for the first time a women's road race was scheduled for the Olympics, Carpenter returned to training for what she called "the one last race of my life." Last week, exhausted and just meters from the end, she lunged her bike, like a kid jumping a curb, to victory only inches ahead of Teammate Rebecca Twigg. With that, Carpenter entered the record books as the first woman in history to win an Olympic cycling event and the first American to be awarded gold in the sport (the single previous U.S. medal: a bronze in 1912).

Americans winning bicycle races? That's a little like saying "movie deal" and "sincerity" in the same sentence. Not only did Carpenter-Phinney (she married ten months ago) and Silver Medalist Twigg, 21, triumph in their 79.2-km (49.2-mile) road race, but an iconoclastic team of 20 U.S. men coasted off with three golds, two silvers and a bronze in other events. Along the way, some of the favorites had trouble, and a handful of brash newcomers gained prominence. Said Carpenter-Phinney: "It will take a while to put it all into perspective."

U.S. cyclists have made a dizzying climb. The U.S. finished 23rd in world-championship medals in 1977, far behind the Europeans. A pre-boycott U.S. Cycling Federation Olympics guide predicted that the Soviet Union, East and West Germany would ride away with virtually everything in the Games but the women's event. However, under the direction of a dynamic former Polish national coach, Edward Borysewicz, 44, better known as "Eddie B.," U.S. amateurs have risen to rank near the top in international competition. Professional Road Racer Greg LeMond, 23, came in third in the Tour de France last month, the highest place ever for a U.S. rider, while fellow American Marianne Martin, 26, won the women's version of the event.

Spurred by the energy crunch, perhaps by the movie *Breaking Away*, the story of a youth intent on becoming a world-class racer, the country is developing a passion for pedaling. In 1983 the U.S. Cycling Federation issued 16,000 racing permits (9,000 in 1970); 10 million bikes will be shipped to stores for the country's 100 million riders. So it should have come as no surprise that 200,000 flag-waving aficionados gathered by the tile-roofed, half-a-million-dollar ranch homes in Mission Viejo, 50 miles south of Los Angeles, for one of the Games' few admission-free events. After the thrill of Carpenter-Phinney's performance, the crowd was treated to another last-meter dazzler by Alexi Grewal, 23, of Aspen, Colo. The 6-ft. 2-in., 150-lb. Grewal almost missed the Games: he was suspended by the U.S. Cycling Federation three weeks ago when a doping test revealed the presence of an illegal substance, phenylethylamine, an amphetamine-like stimulant. But the U.S. Olympic Committee gave Grewal permission to use a related asthma drug, which tests the same way, and he won reinstatement for him a week before the Games.

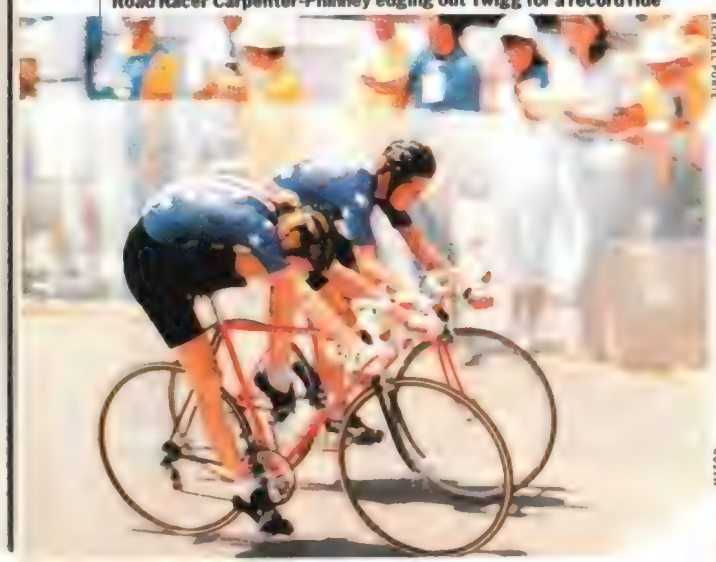
His job in the 190.2-km (118.2-mi.) race: run interference for Davis Phinney, 25, Carpenter's husband and the U.S.'s best hope in the event. The Americans traded the lead with Norway's Dag Otto Lauritzen and Morten Saether, Colombia's Nestor Mora and Canada's powerhouse, Steve Bauer. With ten miles left, Grewal pumped off on a premature breakaway. He gained 24 sec., but Bauer was soon riding in his slipstream. In the last 200 meters, the fatigued American downgeared slightly and blasted up the final grade, rising on his pedals and throwing up his arms as he crossed the line, barely a cycle length ahead of Bauer. Of the temperamental Grewal, Eddie B. shrugged: "Sometimes he's good, sometimes he's bad and sometimes he's crazy."

LEO MASON

Grewal: gritty but golden

In the sleek, elliptical velodrome on California State University's Dominguez Hills campus, it was the equipment that seemed a bit crazy. An overflow crowd of 8,000 gaped at competitors wearing aerodynamic early–Darth Vader helmets and rubberized skinsuits that were banned in international cycling until 1981. The special U.S. bikes, developed at a cost of $1 million, feature relatively small front wheels and spokeless, solid rear ones made of Kevlar, the material used in bulletproof vests, which reduces air turbulence. The result: a 1- to 3-sec. saving per km. Said Chester Kyle, a professor of mechanical engineering who headed the bike-design team: "Cycling is the most technically sophisticated sport at the Games."

Road Racer Carpenter-Phinney edging out Twigg for a record ride



MICHAEL PORTE

Hegg on superbike winning a heat on his way in pursuit of a gold medal

MASON

It's about time you got a chance to get ahead.

The Sears Financial Network was created to make sure that everyone could have the chance to get the help they need with their money. No matter who they are or how much they have.

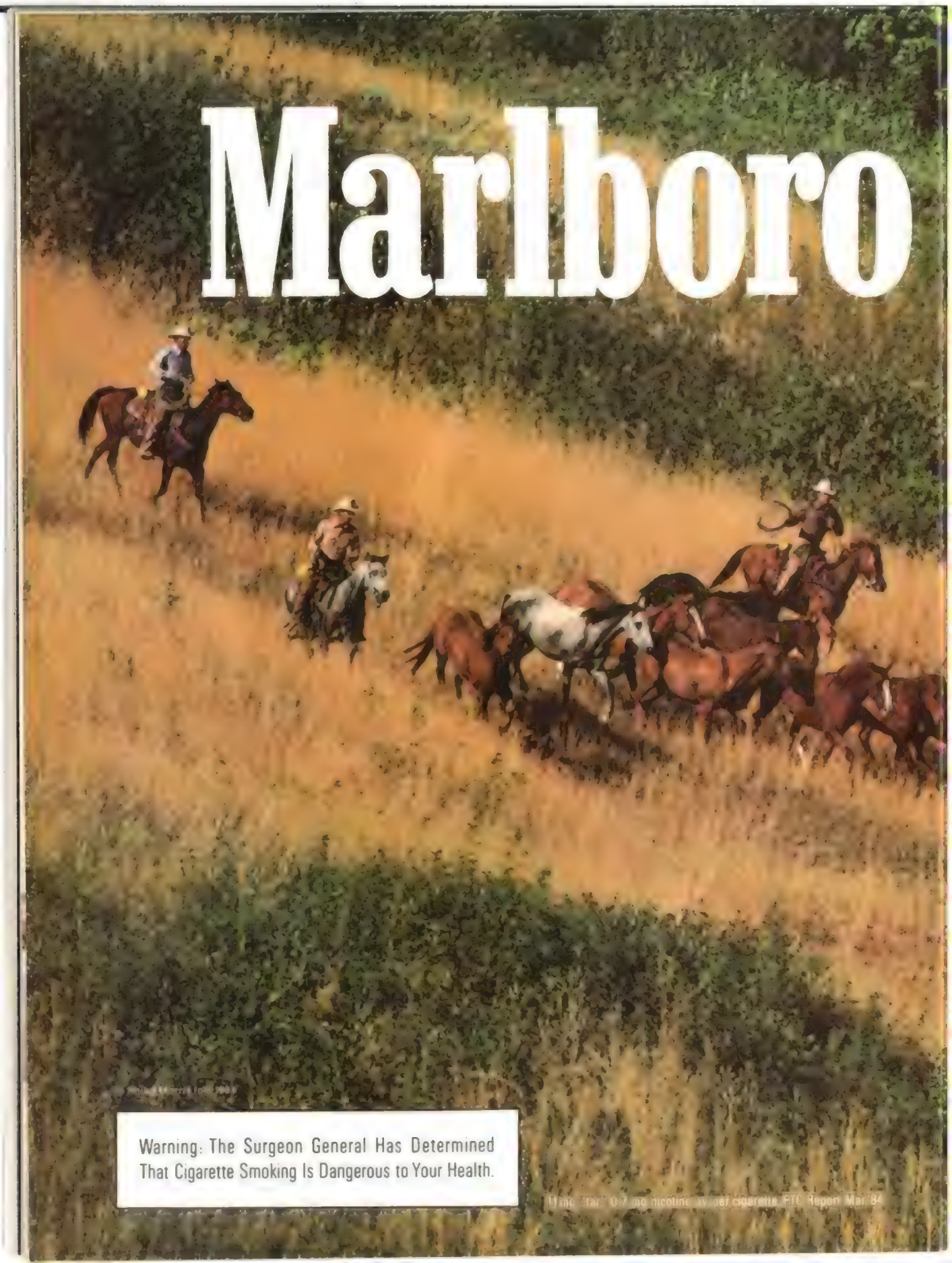
That's why now, you can get some of the most highly respected financial advice available. With over 3,000 Sears Financial Network member company offices across the country, you can get straight talk on insurance from Allstate, investments from Dean Witter, real estate from Coldwell Banker and, in California, banking from Sears Savings Bank.

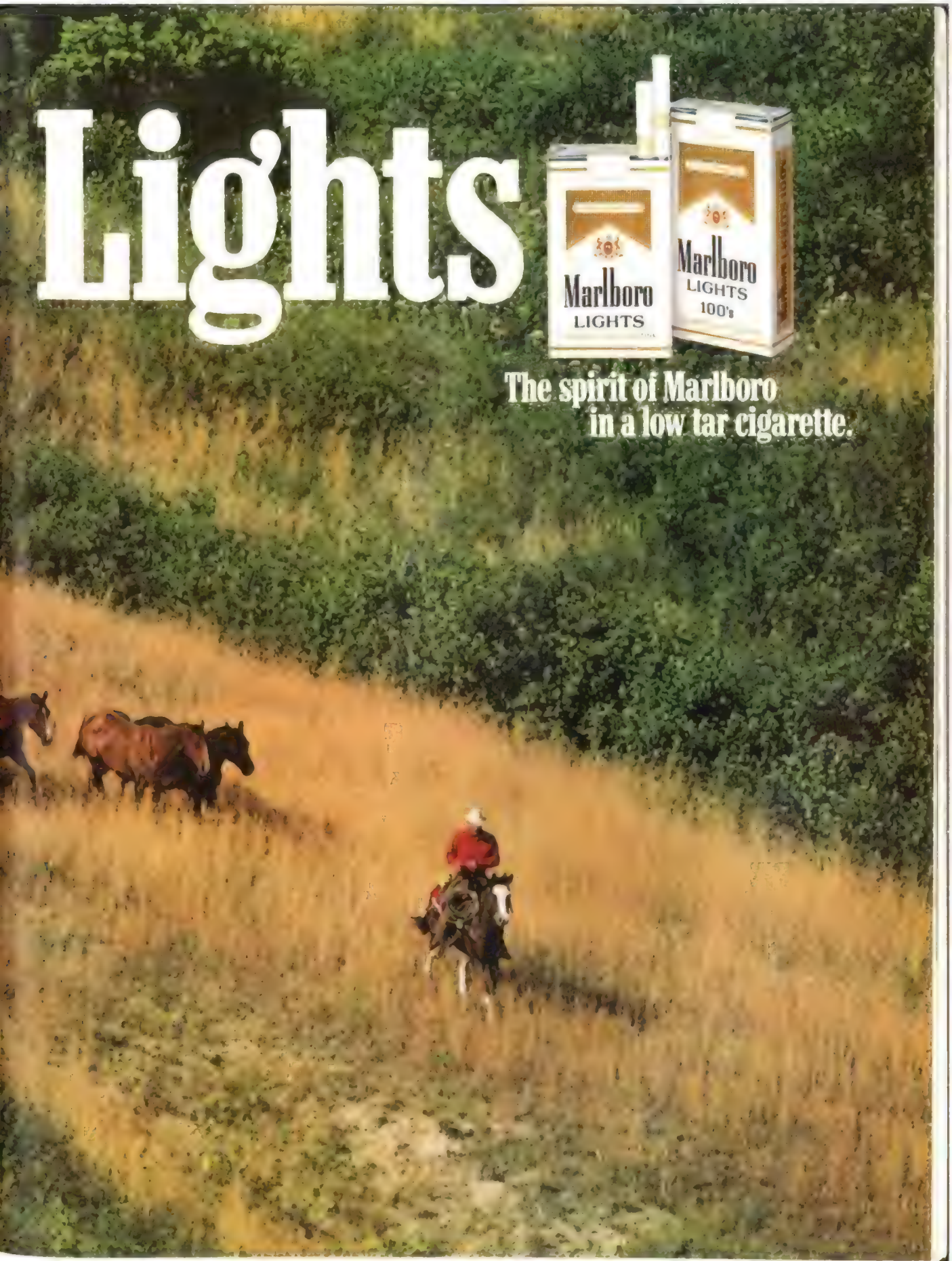
And now, in more and more Sears stores, there's a Sears Financial Network Center where member companies are together, conveniently, under one roof. Either way, it's time you got the help you need.

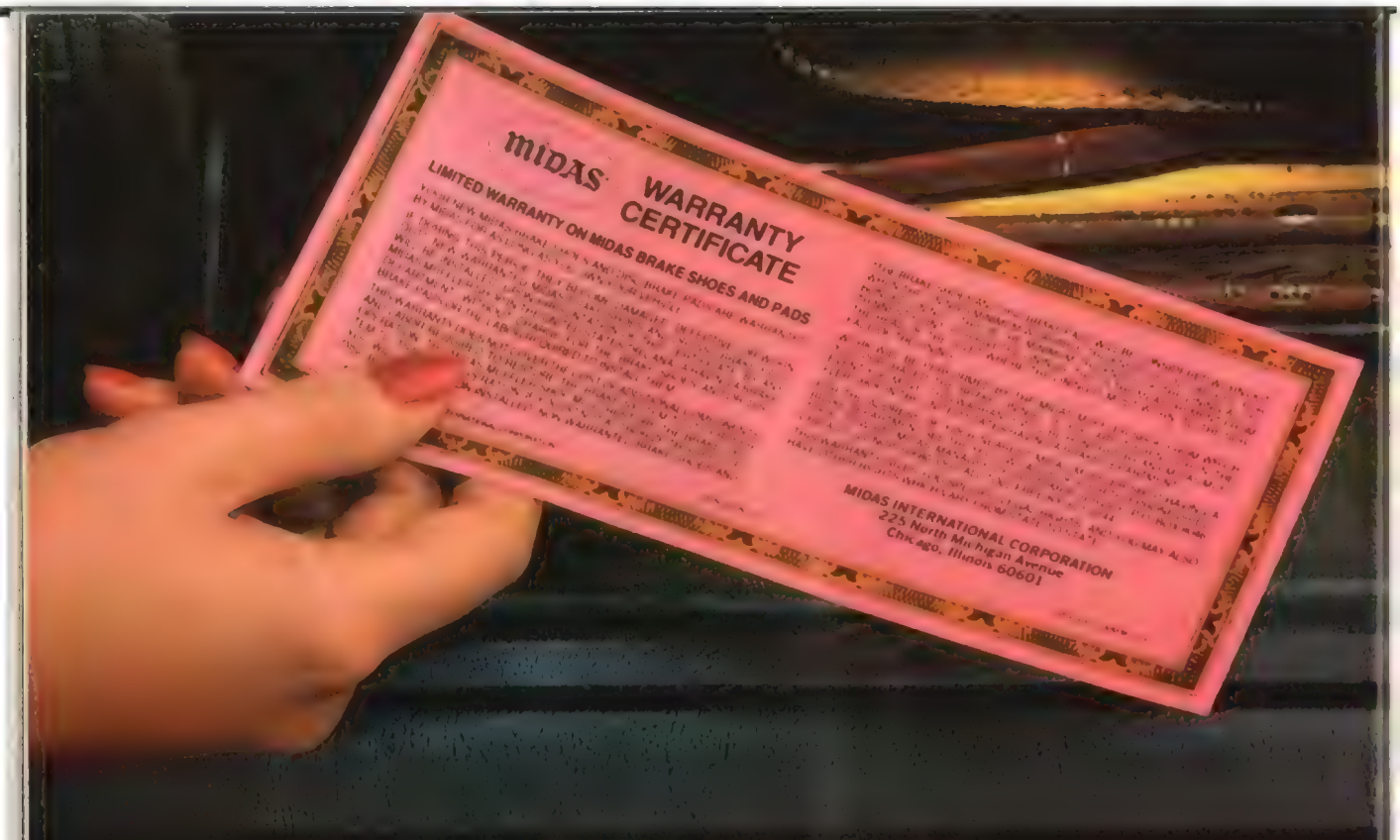
The Sears Financial Network. It's about time. It's about trust. It's about you. **Trust us to make it work for you.**

SEARS FINANCIAL NETWORK

ALLSTATE
DEAN WITTER REYNOLDS
COLDWELL BANKER
SEARS SAVINGS BANK *


Marlboro
Warning: The Surgeon General Has Determined That Cigarette Smoking Is Dangerous to Your Health.


Lights
Marlboro
LIGHTS
Marlboro
LIGHTS
100's
The spirit of Marlboro
in a low tar cigarette.



ONE OF THE BEST THINGS ABOUT A MIDAS BRAKE JOB IS THE PART THAT GOES IN THE GLOVE COMPARTMENT.

It's the Midas® Guarantee on brake shoes and disc brake pads. And it says that if they ever wear out, Midas will replace them free for as long as you own your car. At over 1200 participating Midas shops across the country.

That means you'll never have to buy brake shoes or pads for your car again. You will be charged for additional parts and labor required to restore the brake system to its proper operation.

Most places that do brake jobs won't give you a guarantee like ours. But we offer the Midas Guarantee for one good reason. Because we think the best way to make sure we have your business, is to make sure we have your trust.

Trust the Midas Touch.®

MIDAS®

Steve Hegg, 20, a world-class skier and relative newcomer to cycling, hopped on his Kevlar-cycle for the 4,000-meter individual pursuit race. In this two-man event, a competitor chases an opponent who starts on the opposite side of the banked track. If he catches him, it's over; otherwise, the fastest time wins. Hegg took Rolf Golz, an experienced racer from West Germany by 4 sec. for the gold. After squeaking through quarterfinals in the team pursuit, where four-man squads shift leads to rest in the slipstream, the U.S. cyclists confronted the highly favored West Germans in the semis. The Germans, however, started too fast and lost a fatigued rider; the U.S. lapped the hapless survivors to win. The final, against a blistering Australian squad, saw the tables turned. The U.S.'s Dave Grylls' pedal strap came loose and he dropped out. The remaining Americans, pumping pure adrenaline, could not overcome the Aussies, and settled for silver. The sprint final, though, was all American.

The luck of the draw and the absence of awesome East German Lutz Hesslich, who is the world's fastest in the event, pitted two Americans against each other. The object in this highly strategic race is to hang behind one's opponent, who may come to a complete and balanced halt, until the final 200 meters, then slingshot past him and sprint for glory. The contenders were Mark Gorski, 24, ranked fifth in the world, and the stylish Nelson ("Cheetah") Vails, 24. Vails learned his moves sprinting through gridlock as a New York City bicycle messenger. Gorski took the gold, taking both heats, Vails the silver, and Japan's Tsutomu Sakamoto the bronze. As they racked up the wins with their funny bikes and star-spangled skinsuits, the reasons for U.S. success became evident: Eddie B.'s tight pre-Games team tactics and rigorous Rocky Mountain regimes. As Vails put it last week, "In today's cycling world, you are what you train." They were just fine in Los Angeles. ***—By J.D. Reed. Reported by William Blaylock and Lee Griggs/Los Angeles***

Fencing with a Touch of Class

Competitions in foil, saber and épée are black-tie occasions

Cyrano de Bergerac hung over the parapet, taunting the standards of 20th century swordsmanship. Bemused spectators at the Long Beach Terrace Theater were greeted by a brass ensemble energetically fanfaring the Olympics. Instead of programs, there were pamphlets explaining the sport. A packed 3,000-seat house cheered as the curtain rose on the finals of the men's foil fencing, held onstage. The rows of dignitaries and, yes, the TV cameramen looked very dignified in black tie. The judges on the floor presented elegant tuxedoed backs to the audience, even though their feet were pragmatically shod in sneakers.

Fencing has contributed many useful words to the language, but the average American cannot tell a feint from a foible or a parry from a riposte. This ignorance is heartbreaking to fencers, who delight in giving ten-minute explanations of the attack, parry, return and continuation, which make up a "fencing conversation," but which, to the untrained eye, are only a millisecond flash of two blades. In America, fencing competitions are incomprehensible to outsiders. "We are a small, poor, truly amateur sport," says Stephen Sobel, secretary of the U.S. Olympic Committee and a saber fencer. "We all know each other, and usually we just keep score on a scrap of paper."

Two years ago, the commissioner of fencing for the Los Angeles Olympic Organizing Committee, Jan Romary, decided to throw down the gauntlet, as it were, and go for the audience gold. Romary, a six-time member of the U.S. Olympic fencing team who in 1968 became the first woman to carry the U.S. flag at the opening ceremonies, traveled to world championships in Vienna and Rome, taking thousands of photographs, determined that in this Olympics, fencing would get "the elegance it deserves. It is the sport of kings. I want to see the blades move in the light against the black background!" One result: the shift from a more normal venue into a theater.

Murmurs of Italian, English, French and German rose from the audience, filling the faint empty echo left by the absent Soviets, Hungarians, Poles and Bulgarians. Roars, shouts and groans were punctuated by the supplications, gestures of profound disbelief and uniquely affecting howls of "Aaaoowww!" from the fencers. "The players always assume their roles," explained Robert Blum, a New York lawyer who fenced on two Olympic teams. "As with all sports, fencing is a mode of communication. The fencers are telling us something about themselves." As Mathias Gey of West Germany was eliminated, he sank to his knees, crouched in defeat, while above him Stefano Cerioni of Italy leaped, fist in air, bellowing in triumph.

Fencing has often been called a physical chess game, and, as in chess, the nuances are infinite. In the back of the theater, a father said, "I don't know what's happening, Jerry. Too much of this is in French." Actually, *"en garde"* is part of the universal language. The man was really bewildered by a melee onstage, which caused a row of black ties to depart. "Ladies and gentlemen," said Pierre Baston, the bilingual commentator, "the *directorat technique* is now adjourning to decide the point. I must warn you that such decisions have been known to take hours. I would make myself comfortable."

The last act, or bout, had the crowd, both knowing and neophyte, in a frenzy of excitement. West Germany's Matthias Behr faced Italy's Mauro Numa. Behr had returned to competition after a hiatus that followed a shattering 1982 fencing accident in which the broken blade of his foil killed the reigning 1980 Olympic champion, Soviet Vladimir Smirnov. Numa took the gold, Behr the silver and Cerioni the bronze. The final bout was won by Numa only after a lightning series of touches, seesawing in the last 28 seconds of a ten-minute contest.

Afterward international ties of friendship were cemented in the lobby. "Are you a fencer?" asked an American of a French girl. "Sure." "Hey! Wow! *Touché!*" ***—By Jane O'Reilly***

DAVID BURNETT—CONTACT

Against a backdrop of judging formality, two master fencers go at it

"It is the sport of kings. I want to see the blades move!"

A Made-for-TV Extravaganza

At a circus-like gathering of world journalists, ABC is the focus

Television news does not often compete with print in digging up investigative stories or in the subtler craft of discerning political and economic trends. But when it comes to covering visual events of known proportions (preferably grand), staged at announced times and places, TV can be informative, intimate and stirring. At its best, live TV enables millions, even billions of people to share an emotional experience. ABC has faced in the Summer Olympics the most complex task ever undertaken by an American network: it has committed technical bobbles, interpretive inanities and excessive cheerleading for the home team. Yet on the whole it has provided TV at its best, for an audience bigger than almost anyone had hoped.

Some 10,000 journalists from 140 governmental entities are in Los Angeles, among the biggest assemblages for the longest time (there were 14,000 at the four-day Democratic Convention last month) in the history of reporting. By far the most influential are the 3,500 members of ABC's army, who produce two separate reports: the broadcast seen by Americans and tailored to them, and a neutral pictorial record of every event, about 1,300 hours in all, to be excerpted for broadcasts in the rest of the world.

The network, like many of the individuals covering or watching the Games, has at times been carried away by tides of patriotism and even chauvinism. ABC reporters have unabashedly rooted for U.S. competitors and given short shrift to the athletes of other nations. The expert commentators, almost all of them former U.S. Olympians, have been particularly prone to this. Gymnast Cathy Rigby McCoy, for example, repeatedly implied that the U.S. women gymnasts had been cheated of the team gold medal by judges who favored Rumania or China.

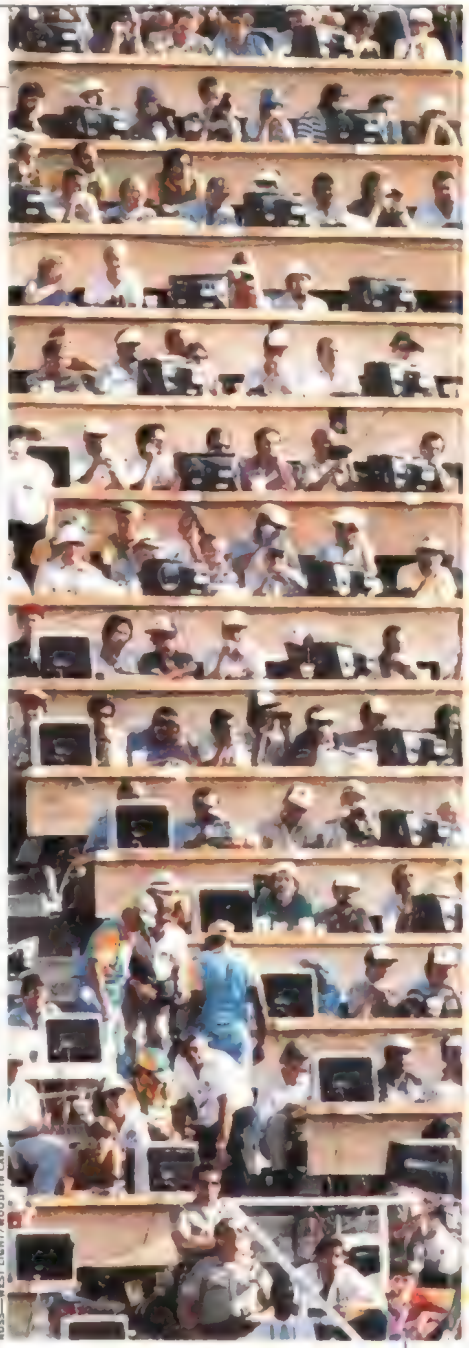
The pro-U.S. tilt of ABC's coverage irritated athletes and coaches from other countries, many of whom did not realize that their fans at home were seeing a different report. On their behalf, International Olympic Committee President Juan Antonio Samaranch formally protested to Chief Organizer Peter Ueberroth, but later retracted after closed-door bargaining. In a statement, the I.O.C. expressed "its satisfaction with ABC . . . and felt that international broadcasters had received appropriate coverage." In the sports that ABC has not highlighted in prime time, when attracting an audience is most urgent, coverage has tended to be a little more balanced. Boxing Reporter Howard Cosell spoke enthusiastically about athletes from a variety of nations and led the way in pointing up U.S. Welterweight Mark Breland's first-bout unsteadiness. Equestrian Commentator Tad Coffin, a former U.S. gold medalist, described the multinational contenders in his sport with impressive authority and fairness. (Soviet coverage has been more one-sided than ABC's: its state-run TV has carried no footage at all of the Games.)

While the choice of shots for the U.S. audience has occasionally seemed calculated to make viewers cry every few minutes, ABC has offered much more than pathos. It has persuasively conveyed the uncelebrated thrills of volleyball, the perils of equestrian cross-country, the arcane strategy of cycling, along with the explosive power of swimming and track. By recording the comic pratfalls of riders and weight lifters, the poignant stumbles of pentathlon runners in the home stretch, it has shown that sports are not as easy as the best athletes make them look. With the utter clarity of its new technique, super-slow-motion, it may revolutionize coverage of some swift-paced sports.

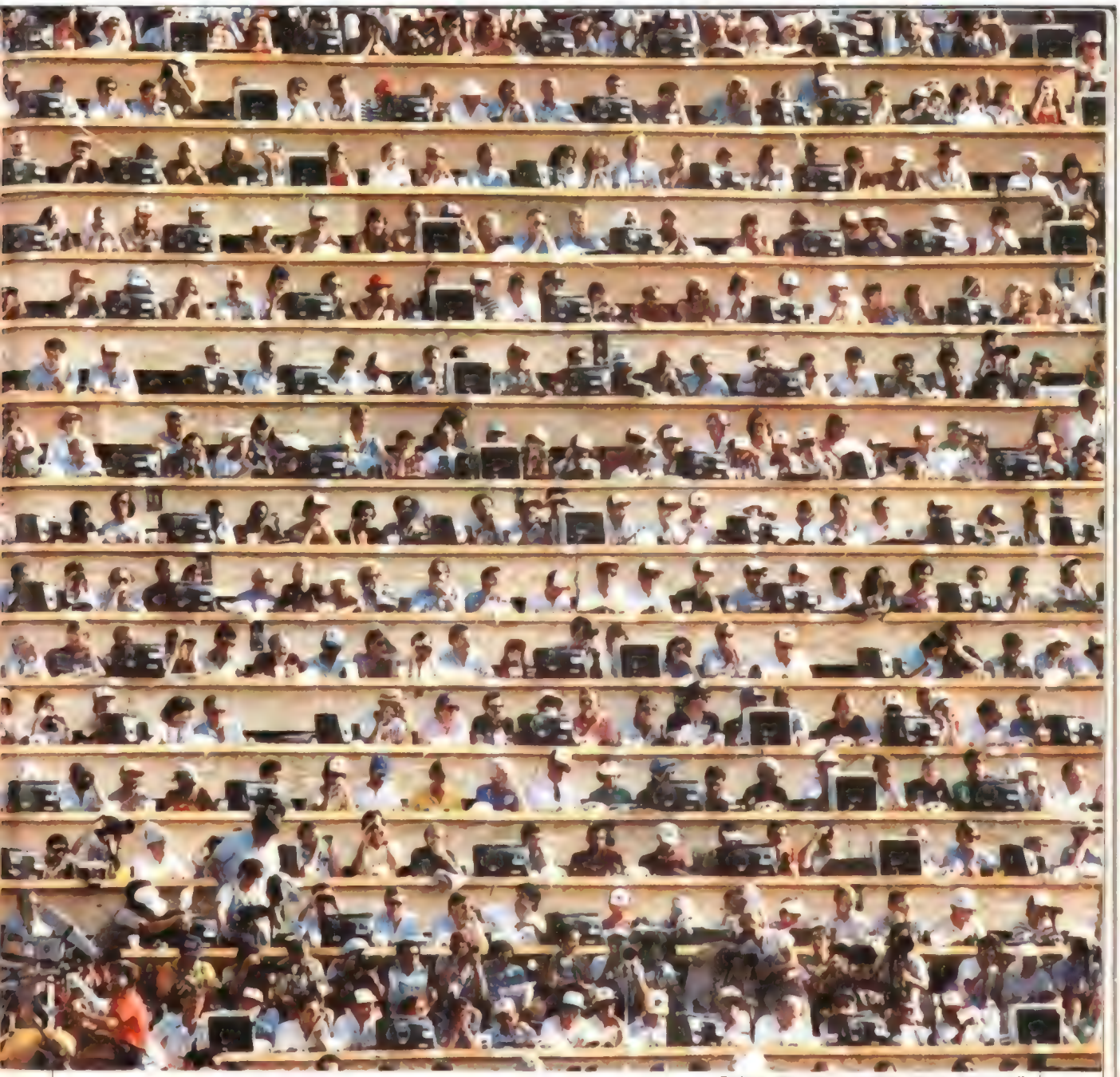
Electronic wizardry is, of course, no better than the people who control it, and ABC's reportage, although wide, has been less than deep. Gymnastics Commentators Rigby McCoy and Kurt Thomas repeatedly tossed off the names of movements (Tsukahara, Strelli and Hecht) without using pretaped footage to define them. Swimming Commentator Mark Spitz was only occasionally instructive; although shorter races are often won in the turns, neither he nor ABC's cameras demonstrated what makes a turn effective. Track Commentator O.J. Simpson added little to what viewers saw, although onetime Olympian Marty Liquori aptly explained pacing.

For these former athletes, the Olympics afford a return to public attention. For ABC reporters, the spotlight can make or break careers. Anchor Jim McKay, 62, who became the voice of the Olympics at Munich in 1972, still appears earnest and unflappable, but as at Sarajevo last winter, he seems a bit weary. A typical snatch of McKay's sometimes repetitive prose: "This could be a historic night in the history of men's gymnastics." Among his potential successors, Jim Lampley comes across as better informed and shrewder than he was at Sarajevo, but the most natural and adroit performer is Kathleen Sullivan, who appears headed for a major news anchor slot. ABC's worst efforts include Ray Gandolf's report on buying breakfast at a trendy Los Angeles beanery (he had three frankfurters) and former U.S. Olympic Hockey Captain Mike Eruzione's burbling about how much fruit there is for sale at Farmers Market. During the day the network seems determined to pander to the presumed interests of housewives. Thus contests were bypassed for irrelevant visits to a celebrity workout center and the Golden Door spa. The nadir may have been a demonstration by Vidal Sassoon of his hair styles for athletes; on the other hand, the coifs were a smash hit with the Olympians.

For print journalists, covering the Olympics has at times been frustrating. Although reporters were well positioned for the opening ceremonies, the action soon scattered to the 23 venues, spread over five Southern California counties. Moreover, although ABC has been able to



ROSS—WEST LIGHT/WOODFIN CAMP



Before the story scattered to "venues," journalists filled the Coliseum press section

reach nearly every winner moments after the event, other interviews have generally had to be conducted in fenced-in pens outside the dormitories, in earshot of rival journalists. Said William Gilligan of the Australian Associated Press: "Access to the athletes was better in Moscow." Nonetheless, *USA Today* has put together crisp, complete coverage that includes its usual late-night results, and Syndicated Columnist Jerry Izenberg unearthed a memorably moving story about an impromptu reunion between U.S. Breaststroker Steve Lundquist and the handicapped former college roommate who taught him to value his physical gifts.

A couple of months ago, the conventional wisdom in the TV industry was that ABC had blundered in paying $225 million for rights to the Los Angeles Games and committing an additional $100 million to produce the coverage. Ratings for the Sarajevo Games had lagged well behind expectations, forcing the network to provide costly givebacks to advertisers. Moreover, daytime coverage of the Games would cut into ABC's profitable schedule of soap operas, posing a competitive risk (*see* VIDEO). Although the network expected to profit both directly and by having a splendid showcase to promote fall series (as it did in 1976, when it jumped from third to first in prime-time ratings), those plans were threatened by the Soviet-led boycott, and ABC demanded a reduction in fees.

Last week, as the ratings came in, it was plain that a predominantly American Olympics was suiting American viewers just fine: ABC met its pledge to deliver about 25% of all U.S. households during prime time, and the network quietly went ahead with a scheduled $30 million payment to the organizing committee. Said an exuberant ABC Sports President Roone Arledge: "I never doubted for a moment that the Olympics would do well. This is what we have been waiting for. It is an experience trying to decide what to put on and what to leave out." Some of those decisions may have been debatable. But ABC, and the spectacle it covers, has indeed made it seem that the Olympics are just what the audience has been waiting for. —*By William A. Henry III*

Combatting an Ancient Enemy

A major step is taken toward producing a malaria vaccine

In the heady days of the 1960s, international health authorities thought they had it licked. The enervating fevers, the trembling chills, the splitting headaches and the appalling child-mortality rates were on their way out. Malaria, exulted the World Health Organization in Geneva, was defeated in Europe, banished from Sri Lanka (then Ceylon) and on the run in India and Pakistan, thanks to the effectiveness of drugs and insecticides. Even in Africa, it stood to go the way of smallpox. They could not have been more wrong. Today more than half the world's people live under the threat of malaria. By some estimates, 250 million—more than the population of the U.S.—fall ill each year; a million die in Africa alone. Says Dr. Adetokunbo Lucas, director of Tropical Disease Research at WHO: "We have moved from despondency to euphoria and back again."

Last week a ray of hope pierced the gloom surrounding one of the world's biggest health problems. Two groups of scientists, one at New York University Medical Center, the other at the National Institutes of Health and Walter Reed Army Institute of Research in Washington, announced they had taken a major step toward creating the first malaria vaccine. The teams reported in the journal *Science* that they had synthesized a constituent of the malaria parasite that could trigger immunity to the disease. "This is the protein that is important in developing protective antibodies against the initial stage of the malaria parasite," explained Colonel Franklin Top of Walter Reed. "For the first time, we have the possibility of making enough of it to test its use as a vaccine." Both groups predict that animal tests will begin within a year, and if all goes well, human trials could start a year later.

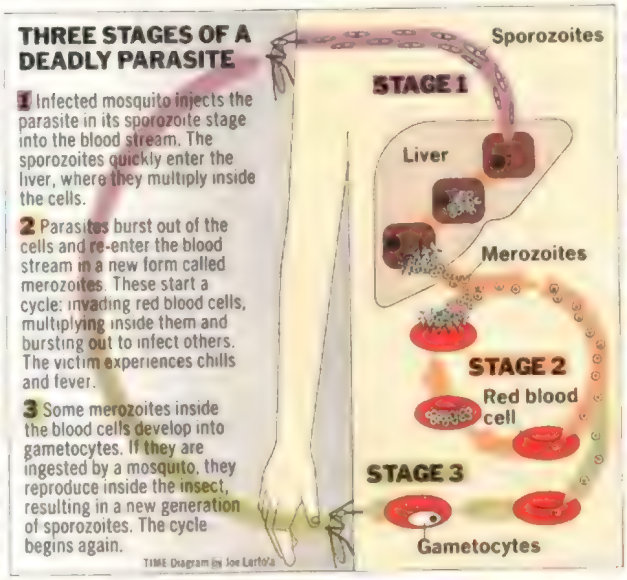
The breakthrough represents a new stage in the ancient battle against malaria and the insect that carries it, the female *Anopheles* mosquito. Peruvian Indians discovered the first important weapon: the bark of the Cinchona tree. For centuries the bark and its derivative, quinine, were the only means of preventing and treating malaria's waves of fever, which can recur erratically and weaken victims for years. Gin and tonic, originally made with quinine, is said to have been developed by British colonialists as a way of making their daily doses more palatable.

During World War II, when quinine became scarce, hundreds of thousands of Allied troops in Africa, Sicily and the South Pacific fell victim to the disease. The U.S. Army responded with what has been called "a biological Manhattan Project." It led to development of chloroquine. More effective than quinine, it was hailed as a wonder drug. Wartime research also yielded a wonder pesticide: DDT. It was the potent combination of chloroquine and massive DDT spraying in Asia, South America and Africa (and even in the U.S., where there were pockets of malaria as recently as 1950) that fostered WHO's rosy vision of conquering malaria once and for all.

Man and nature fought back, however. War in Southeast Asia and political instability in countries like Idi Amin's Uganda interfered with eradication efforts. Premature reports of success against malaria led some health authorities to relax their vigilance. Then came the worst blows of all: in the mid-1960s, *Plasmodium falciparum*, the most lethal of the four species of parasite that cause human malaria, showed signs of becoming resistant to chloroquine. Soon there were resistant strains on three continents. About the same time, health officials around the Mediterranean began to find mosquitoes that were immune to DDT. It was a classic illustration of Darwinian evolution: a handful of mosquitoes that were DDT-resistant and a tiny number of parasites that were drug-resistant had survived, multiplied and defeated the best efforts of modern science. Malaria returned with a vengeance. In just four years, the incidence in Sri Lanka rose from 18 cases to more than a million. The entire eradication program backfired, says Dr. Kenneth Warren, director of Health Sciences at the Rockefeller Foundation. "It's the worst mess in medicine."

Malaria research had largely come to a halt during the years that chloroquine and DDT seemed all conquering. But Dr. Ruth Nussenzweig of N.Y.U. continued to pursue a malaria vaccine, a goal many viewed as impossible. The malaria bug presented unique obstacles. The first was the complex life cycle of the *Plasmodium* parasite, which is in a sense three bugs in one *(see diagram)*: the sporozoite, which enters the human bloodstream when an infected mosquito bites; the merozoite, which invades the red blood cells and causes the disease's chills and fever; and the gametocyte, which, when ingested by a biting mosquito, reproduces inside the insect and yields a new generation of sporozoites.

All vaccines work by teaching the immune system to recognize the face of the enemy. Once the body knows the chemical features, or antigens, of an infectious agent, it can produce specific weapons, or antibodies, against it. With malaria, however, there are three faces to recognize. Each stage is marked by different antigens, and antibodies against one stage will not provide protection against another. Nussenzweig and her immunologist husband Victor decided to focus their efforts on a sporozoite vaccine. In 1967 she showed that it was possible to protect mice against malaria by injecting them with sporozoites that had been rendered harmless by irradiation. The same result was achieved in a



Ruth and Victor Nussenzweig, far right, with members of their team

Successful pursuit of a goal many thought was impossible.

small number of human subjects. But there was no way to mass-produce a vaccine, because the only method of obtaining sporozoites was to dissect the salivary glands of infected mosquitoes.

The advent of genetic engineering in the 1970s made such tedious work obsolete. Using methods for dissecting molecules, the two groups of researchers reporting in *Science* were able to identify the specific antigen, found on the surface of the sporozoite, that is responsible for producing immunity to this stage of the parasite, and they were able to unravel part of the chemical structure of the antigen. To their surprise, it was quite simple. So simple, says Victor Nussenzweig, "that it can be very easily synthesized using plain, old-fashioned chemistry." Nonetheless, a vaccine based on the antigen still faces "a lot of pitfalls," warns Top of Walter Reed. Indeed, many scientists question whether any vaccine can prompt the immune system to react fast enough to catch sporozoites after they have been injected into the body by a mosquito: each sporozoite takes only a few minutes to find sanctuary in the liver, where it is safe from the marauding antibodies. Even if only a handful of sporozoites get through to the liver, malaria will result.

PHOTO—BRUCE COLEMAN

The *Anopheles*

Most malariologists agree that the ideal way to prevent the disease would be with a "cocktail" of vaccines for all three stages. Progress toward that end is now moving swiftly. Researchers in Geneva and Melbourne have been so successful in identifying antigens of the merozoite that they plan to begin animal tests of the vaccine by the end of the year. A gametocyte vaccine is being developed by Dr. Richard Carter at NIH, but much work remains to be done. An experimental vaccine for all three stages may be only a decade away, according to Pathologist Sydney Cohen of Guy's Hospital medical school in London. "If it is very effective," he says, "malaria eventually will be eradicated like smallpox."

But if history holds one lesson for the malariologist, it is modesty in the face of nature. Scientists admit that vaccines alone will not defeat this resilient organism. "Controlling malaria will take all the resources we have: insecticides and drugs, as well as vaccines," says Top. Drug research is continuing at Walter Reed and elsewhere. Mefloquine, discovered by the Army in 1974, remains about 98% effective against the deadly *falciparum* strain, but signs of resistance are already appearing. Quinghaosu, a Chinese drug derived from the wormwood plant, is "extremely promising," according to Lucas of WHO. But because drug resistance develops quickly, the search cannot stop. Says Top: "If we don't put out a good malaria control drug every five to seven years, we will be in trouble."

New methods of mosquito control are also vital. The challenge is to produce insecticides that are environmentally safe and that can overcome the problem of resistance. Entomologist Brian Federici, a WHO consultant at the University of California, Riverside, may have found a way of solving these two problems by spraying breeding grounds with a naturally occurring bacterium that kills mosquito larvae. But the method is costly, and Federici asks, "Who is going to pay for it?" That is the ultimate question in controlling malaria. According to one estimate, the cost of producing a malaria vaccine and distributing it to Third World children would be $200 million. In countries where less than $5 per capita is spent on annual health care, even a mosquito net is a luxury. ***—By Claudia Wallis. Reported by Mary Carpenter/New York and Patricia Delaney/Washington***

New Beat

Utah loses a famed surgeon

Hearts at the University of Utah surely skipped a beat last week when Dr. William DeVries, 40, the pioneer surgeon who in 1982 implanted an artificial heart in retired Dentist Barney Clark, made a surprise announcement: he is resigning from the Salt Lake City medical center to join Humana Heart Institute International in Louisville. The institute is owned by Humana Inc., which operates a chain of 90 hospitals in the U.S. and three foreign countries.

DeVries had grown frustrated by the nine-month delay in getting a go-ahead from the Utah medical center for a second implant. Said DeVries: "I'm tired of having patients die while trying to cut through red tape." He expects the ethical-review process to be speedier in Kentucky, but there will still be some red tape to get through. The Utah unit was the only one in the country with authorization from the Food and Drug Administration to perform artificial-heart surgery. Now the Humana institute must obtain the same approval.

William DeVries

DeVries noted last week that the one-year-old Humana facility "has more equipment and more people than I did at Utah." Nor will he face the lack of money that he did at the largely publicly funded center in Salt Lake City. DeVries had to buttonhole benefactors personally to help cover Clark's hospital expenses of more than $250,000. Humana has pledged to underwrite the surgical costs of up to 100 artificial-heart implants. DeVries' own income will depend on his private practice. As is standard in experimental surgery, his services for the implant operations will be donated. ■

Milestones

DIED. Carl D. Perkins, 71, liberal Democratic Congressman from Kentucky since 1949, chairman of the powerful House Education and Labor Committee since 1967 and one of the wiliest, most determined minds ever to hide behind a country-bumpkin exterior; of an apparent heart attack; in Lexington, Ky. In the 1960s Perkins helped steer Lyndon Johnson's antipoverty legislation through Congress; he had also pushed relentlessly for federal aid for vocational training in 1963 and for primary and secondary education in 1965. Perkins later became probably the most outspoken House critic of Reagan Administration budget cuts.

DIED. Gilbert Renault, 79, much decorated hero of France's World War II Resistance, who under the *nom de guerre* Colonel Rémy organized for Charles de Gaulle the Free French intelligence service, which, among other things, procured German plans for the coastal defenses in Normandy and helped make possible the selection of the Allies' D-day landing sites; of a heart attack; in Guingamp, France. After the war Renault joined, then quit, De Gaulle's political organization, and recounted his adventures in several colorful and popular memoirs.

DIED. Philip Van Doren Stern, 83, prolific, versatile novelist, editor and historian, whose Civil War–era writings include a biography of Robert E. Lee, an anthology of Lincoln's writings and a history of the Confederate navy; of a heart attack; in Sarasota, Fla. An editor at Pocket Books between 1933 and 1954, he presided during World War II over the Armed Services Editions, those much treasured paperbacks light enough to be carried into battle. Author or editor of 44 books, he also wrote *The Greatest Gift*, a 1944 Christmas fantasy about a man who discovers that life is worthwhile, which became the basis for Frank Capra's 1946 movie *It's a Wonderful Life*.

DIED. Fred Waring, 84, band and chorus leader known as "the man who taught America to sing," whose group, the Pennsylvanians, sustained its sweet, soothing blend of voices and instruments through more than six decades of road tours, radio, television and movie appearances and more than 2,000 recordings; after a stroke; in Danville, Pa. A Penn State engineering student who was rejected by the college glee club, he formed his first band (a jazz quartet) in 1917, eventually adding voices and more instruments. Between its 1933 debut and 1949, it presented one of radio's most popular shows; the advent of rock dimmed its luster, however, and in the years before Waring's official 1980 retirement the size of both the group and its audiences shrank. On the side, in 1937, Waring used his tinkering skills to perfect, patent and market his Blendor, one of the first food processors, which earned him royalties for the rest of his life.

Falling Back in a Critical Race

Old roadblocks and rivalries brake Europe in the high-technology field

Spawned in the mid-18th century, the first Industrial Revolution was fueled by the steam power and coal of Britain. The second, around 1900, got its push from chemical and electrical developments in Germany. Now there is a third industrial revolution under way, propelled by microchips. This time, however, the driving force is in the U.S. and Japan, and Western Europe is being left far behind.

Today the Continent is flooded with IBM computers, Matsushita video recorders and Boeing jetliners. Here and there, innovative Europeans armed with breakthrough discoveries and marketing savvy have elbowed their way into lucrative new fields. But those modest inroads have failed to hide a painful reality: Western Europe has been caught unprepared for the accelerating high-technology revolution beyond its shores.

The gap, though difficult to measure with precision, appears to be widening. In 1978 Western Europe had a $500 million trade surplus in such high-technology exports as computers, digital telecommunications systems, robotics and computer-controlled industrial machinery. Two years later the surplus had evaporated; in its stead was a $5 billion shortfall. By 1982 the high-tech trade deficit had doubled to $10 billion, with U.S. and Japanese exports to Western Europe growing rapidly. In the crucial field of electronic microprocessing, the industry on which much of this new revolution rests, Europeans hold only 10% of the world market. Together, the U.S. and Japan have 80%.

To be sure, there are exceptions. Switzerland is a world leader in pharmaceuticals and electric-generation equipment, Britain in precision instruments, West Germany in engine technology and machine tools, and Sweden in robots. In many fields of scientific achievement, Western Europe remains close to the U.S. and ahead of Japan. But Europe has not been able to turn laboratory research into commercial products.

The obstacles to high-technology progress are formidable. Despite the unifying efforts of the European Community, economic nationalism thrives, fragmenting the West European market and isolating consumers behind political boundaries. Even some of the biggest companies—The Netherlands' Philips, West Germany's Siemens and Italy's Olivetti—do not have access to large enough markets or the resulting economies of scale to justify the cost of independent high-tech research and product development.

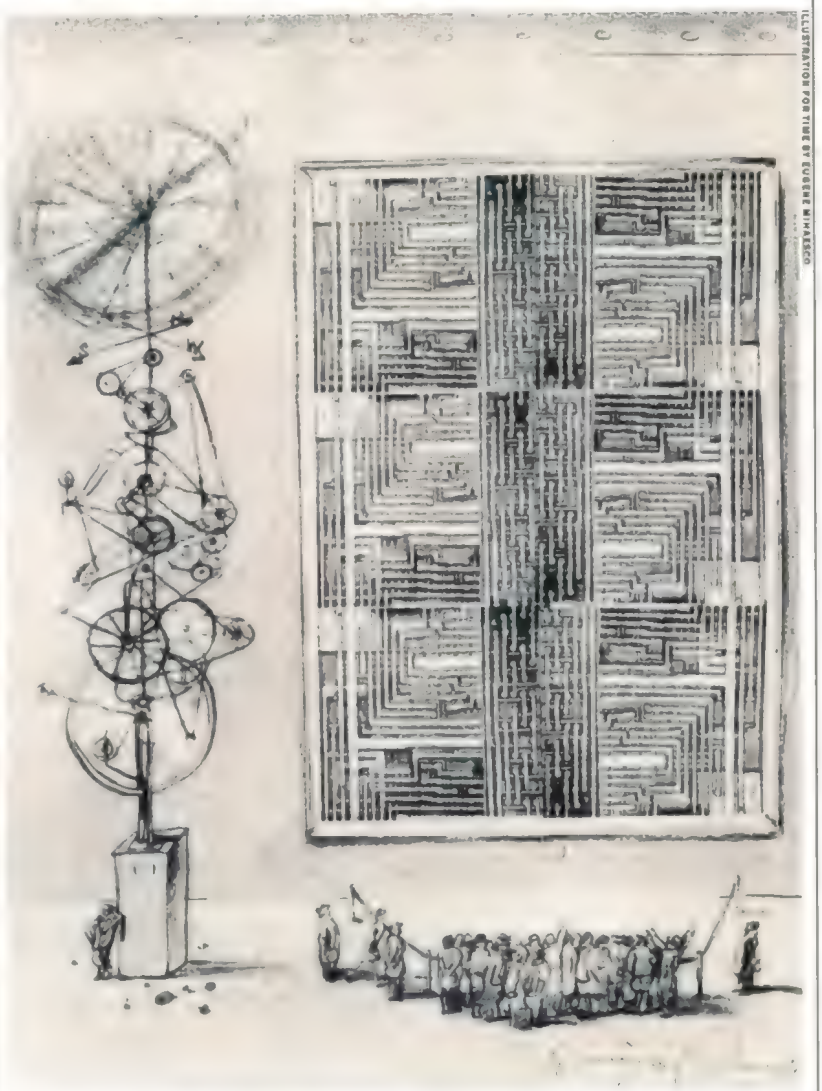


ILLUSTRATION FOR TIME BY EUGENE MIHALESCO

Trade has been stifled within the ten-nation Community by a thicket of visible and not so visible barriers, like preferential government buying, which were erected to protect national industries. For example, Western Europe has nine different telecommunications switching systems. Says a senior Community trade official: "You can imagine what would have happened to Apple Computer if it had to fight such barriers in different American states." Economists estimate that Western Europe's patchwork of safety, design and technical standards represents the equivalent of an 8% to 12% tariff on all goods traded within the Community.

Attempts at industrial cooperation have generally fared badly. There have been a few partnerships like Airbus Industrie, but they were conceived on the basis of carefully plotted, specialized divisions of labor rather than cost-effectiveness. Since the Community was founded in 1957, not a single transnational company has been formed in Western Europe.

Rather than develop joint ventures,

European firms prefer to hook up with U.S. or Japanese companies, where the chances of success are greater. The largest and most controversial deal was struck last December by Olivetti and A T & T. The U.S. telecommunications giant agreed to pay Olivetti $260 million for a 25% share of the company, plus an option to increase this to 40% by 1988. As part of the deal, Olivetti got access to A T & T research facilities, as well as a shot at the $80 billion global market for office-automation technology for the next decade.

Until now, innovation has been plagued by competitive national programs that are wasteful and duplicative. Some 90% of official funding for research in Western Europe has been concentrated in four areas: computers, electrical engineering, aerospace and telecommunications. As a result, new fields like robotics and biogenetics receive either too little money or too much.

Corporate connections with universities that provide scientific support and skilled researchers, which have been an important factor in developing U.S. technology, are underdeveloped in Western Europe. Too many academic institutions still tend to view commercial ventures with distaste. Such sentiments are changing, but slowly. In Britain, the Thatcher government has slashed grants to university-based researchers, forcing them to seek support from the private sector.

Western Europe has also been hampered by the slow growth of entrepreneurship, the spark that propelled the semiconductor and personal computer industries. Says Albert Zylbersztejn, director of technology at Groupe Bull, a French-owned computer firm: "There is not a positive attitude toward risk taking. If you take a risk and fail, you are finished." Young engineers and managers are often unwilling to give up secure positions and start their own businesses. Also, venture capital is scarce, and financing for infant firms is difficult to come by.

With the failure of past policies evident, stimulating industrial innovation now stands near the top of the political and economic agenda in most West European capitals. At last June's London economic summit, the Big Four of the West European nations came out for a broad policy that implicitly recognizes the U.S. example of individual enterprise and official deregulation. They endorsed programs to promote technological change through small and medium-size businesses, more flexible wages and work practices, and the running down of "obsolescent production and technology."

Many stumbling blocks remain. As Eduard Pannenborg, Philips' vice president for research, points out, "Much of what we have in Europe works out as an Un-common Market. A lot of our thinking is still nationalistic." Some entrepreneurs and government officials are hopeful about a Community initiative called the European Strategic Program for Research and Development in Information Technologies (ESPRIT). Its proponents believe that the $1.3 billion five-year plan for cooperative research in microelectronics and data processing could lead to at least a partial, Europe-wide standardization in products of the future. Twelve participating ESPRIT companies agreed in March to adopt common specifications for computers and office equipment, and telecommunications officials have begun to discuss common guidelines for buying new equipment. Last March, French President François Mitterrand visited California's Silicon Valley and liked what he saw. "We know that our country is late in undertaking this phase of its evolution," he told an audience of U.S. entrepreneurs. "We are making a considerable effort to overcome this lag." Yet for France and Western Europe to succeed, there will have to be a consensus for change, a renewed belief in technology and a new willingness to take the great risks that often lead to equally great payoffs. —*By Alexander L. Taylor III. Reported by Lawrence Malkin/Paris, with other bureaus*

Coming to Terms with Big Blue

Like a corporate Matterhorn, IBM casts a deep and daunting shadow across Western Europe's high technology. So powerful is IBM in Europe that it did more business there last year ($10.6 billion) than its nine largest rivals combined. But Big Blue's success has aroused European fears and suspicions. Nearly four years ago, the European Community brought the most ambitious antitrust suit in its 26-year history against the American firm. The key charge: IBM stifled competition by holding back technical information about its largest and most widely used family of computers, the System/370.

Last week, after months of negotiations, the two sides reached a landmark settlement. The Community suspended its case, and IBM agreed to make available information about its computers to enable rival companies to design equipment that can be linked to the System/370. The firm will disclose technical standards for new System/370 models within four months after they are announced, and it will publish an expanded manual of the system's communication codes.

The Europeans put pressure on IBM to be more open about its products because the American company is so huge and so pervasive that its decisions affect almost everything that happens in the computer field. At present, IBM makes close to two-thirds of the large computers used in Europe. One European Community official likened the information IBM will disclose to the details an automaker might provide tire manufacturers to make certain that their tires fit the wheels of the company's cars. IBM, for its part, was relieved to conclude the long-running dispute, which lifted a cloud from its European operations. IBM Chairman John Opel said the settlement satisfies the Community "without requiring us to make significant changes in the way we do business."


DAVID BURNETT—CONTACT

Kaspar Cassani, president of IBM Europe

The disclosure of IBM standards could free Europe's computer makers from a trap of their own creation. Firms such as France's Bull and West Germany's Siemens have fallen behind U.S. and Japanese rivals partly because they have insisted on separate standards that have isolated their systems. Now access to IBM specifications will enable European firms to end their insularity by designing machines that communicate with IBM's.

Last week's action is likely to tie IBM more closely than ever to Europe's computer industry. The company provides about 100,000 jobs there, and last year it paid more than $1 billion in taxes, making it one of Europe's ten largest taxpayers. In a London speech last May, Opel promised substantial new investments after the suit was resolved.

To be sure, IBM had much to gain by settling the case. The company has wanted to show that it was abiding by Europe's business rules so that it could stay on the good side of officials. "Governments are our biggest customers," says Kaspar Cassani, president of IBM Europe, "and we have to demonstrate that we are good corporate citizens." After the U.S., Europe is the company's most important market, accounting for more than one-quarter of its 1983 revenues.

The settlement helped both Europe and IBM. Europe needs IBM's technology and financial might, and the U.S. firm needs its European market. Like the partners in a stormy but enduring marriage, each side knew that it would gain the most by staying on good terms with the other.

Oil Slide

OPEC goes on a selling spree

Saudi Arabia has always considered itself the model of prudence and self-control among the 13 nations that make up the Organization of Petroleum Exporting Countries. When one of the other members threatens the group's strength by producing too much crude oil or selling it at a discount, the Saudis are usually the first to scold. Thus Saudi Arabia has perplexed the global oil industry this summer by boosting its output by 1 million bbl. a day beyond the country's voluntary quota of 4.5 million bbl. The extra crude has aggravated the world's surplus of oil and triggered a dramatic slide in prices. The situation again threatens OPEC's power to control the cost of crude. In March 1983, the countries were forced to make their first price cut in history, a $5-per-bbl. markdown, to $29.

Fears of a free fall in crude prices resounded last week throughout the oil industry. Said Gulf Chairman James E. Lee: "I think we are kind of on a razor's edge." Texaco, Quaker State and Standard Oil of Indiana lowered the rates they would pay for some types of U.S. crude by as much as $2 per bbl., to $26. The trend may force two big producers, Britain and Nigeria, to mark down the official price of their crude. Said Constantine Fliakos, oil analyst at Merrill Lynch: "If that happens, OPEC ultimately would suffer and have to lower its official price again."

The price slide was triggered by an unusual Saudi deal in which the country plans to exchange some 34 million bbl. of oil for ten new Boeing 747 jetliners. Saudi Oil Minister Sheik Ahmed Zaki Yamani protested the arrangement because it would add to the glut on the world oil market. But Prince Sultan, chief of the military and the national airline, overruled him, apparently because the royal family wanted to avoid dipping into the country's foreign-exchange reserves to pay for the planes. By exceeding its OPEC production quota, Saudi Arabia provided an easy excuse for most other members to do likewise.

OPEC's abundant production is compounded by low demand for oil. Despite the economic boom in the U.S., West European countries have been slow to recover from the worldwide recession. Total oil purchases by Western industrial countries have increased by less than 4% since last year. Meanwhile, OPEC's total output has gushed up about 30%, from 14 million bbl. a day in mid-1983 to some 18.5 million currently.

Airlines, chemical manufacturers and other heavy petroleum users will benefit most from the falling prices. Consumers, too, will feel an impact. The average price of gasoline in the U.S. has dropped to $1.18 per gal. from $1.25 a year ago, and is likely to fall further. The surge in supply, though, could put a sharp kink in the profits of U.S. oil companies. Last week Frank Kneuttel, of the Gintel energy-research group, warned clients away from energy stocks. Said he: "The price is like a snowball coming downhill without a mogul to stop it." Falling prices will also hurt Mexico, Venezuela and other countries that depend on oil income to pay off their debt.

Some industry experts believe that OPEC's crisis will prompt an emergency meeting of the group in September or October. In the meantime, the Saudis may try to bolster prices by announcing that they will cut back production as soon as they have paid for the planes. Said John Lichtblau, president of the Petroleum Industry Research Foundation: "There is still a possibility they can correct the situation by substantially reducing their output. But it is difficult to recontrol prices once they start running away." —*By Stephen Koepp. Reported by Jay Branegan/Washington and Timothy Loughran/New York*

FRANK KOLOK—GAMMA/LIAISON

Prince Sultan insisted on the barter deal

JEAN GUICHARD—SYGMA

Sheik Yamani found himself overruled

The Saudis used to be the first to scold.

Clearing the Air

The EPA wants more lead out

When the Environmental Protection Agency two years ago took steps to cut the amount of lead used in gasoline, it failed to reckon with the orneriness of American motorists. Car owners have been illegally filling an estimated 13% of the no-lead vehicles on the road with leaded gas, which costs an average of 7¢ per gal. less than the unleaded variety. Last week the EPA fought back. It proposed rules that would slash the amount of lead in leaded gasoline by 91%, starting in 1986.

The agency based its proposal on growing concern about the danger of lead, which can be fatal in large doses and can damage the liver and kidneys and cause mental retardation in smaller ones. Said EPA Administrator William Ruckelshaus: "The evidence is overwhelming that lead is a threat to human health. This action will greatly reduce the threat, especially for pregnant women and young children." He added, moreover, that "recent evidence shows that adverse health effects from lead exposure may occur at much lower levels than heretofore considered safe." Ruckelshaus estimated that the ruling would lower by nearly 50% the number of children with levels of lead in their blood that exceed U.S. health standards. He said the affected youngsters would be reduced from 97,000 at present to 47,000 by 1988.

While many environmentalists and health advocates had urged an outright ban on the toxic element, Ruckelshaus said that some lead was needed to protect the engines in older cars. Lead helps lubricate valves and reduce engine knock.

The EPA predicted that the benefits of getting the lead out will be far greater than the cost. The agency said the move would create overall savings of $1.8 billion in the form of lower medical bills and increased fuel economy. By contrast, staff members estimated that refiners will need to spend only about $575 million to retool their facilities, or less than 1% of the current total cost of making gasoline. That could push the price of leaded fuel, which still accounts for some 45% of gasoline sales, close to the level of the unleaded variety.

Among the companies likely to be hurt most by the EPA action are those like Virginia-based Ethyl Corp. that produce lead additive for refiners. The firm, which supplies about 40% of the lead in U.S. gasoline, has vowed to fight the proposal.

Ruckelshaus suggested last week that even tougher rules may follow if motorists continue to pollute illegally by using leaded fuel in engines designed for lead-free gasoline. One possible remedy being considered: a total ban on leaded gas if the violations persist. ■

Introducing LA brand from Anheuser-Busch.

All the taste of our regular beers...

with only half the alcohol.

LA delivers all the great taste and drinkability of a premium pilsner beer with only half the alcohol of our regular beers.

A special, natural brewing process along with the finest natural ingredients and slow, natural aging produces a beer with less alcohol, that tastes as good as a regular beer.

From the brim to the bottom of the glass.

For the way you live today, LA.

LA USA

PROUD SPONSOR OF THE 1984 U.S. OLYMPIC TEAM.

America the Tax Haven

A new law aims to lure money from overseas investors

On the surface, the tax bill that President Reagan signed last month is a timid, election-year effort to shrink the fearsome federal budget deficit, expected to be about $175 billion for fiscal 1984. The legislation aims to boost Government revenues by $50 billion over the next three years through such steps as raising liquor taxes and reducing business deductions for luxury cars. But buried in the fine print of the 751-page 1984 Deficit Reduction Act is a fundamental change in the way the tax code treats foreigners who invest in the U.S. The measure could attract more money from overseas, which would help finance the U.S. budget deficit, hold down interest rates and perhaps spark a boom in the stock and bond markets. Indeed, the rally seemed to have already started last week.

Up to now, foreigners who bought American bonds or other financial assets in the U.S. were subject to a 30% withholding tax on interest earned. The new legislation ends the withholding, making the investments tax-free to overseas buyers. Suddenly America has become the largest and possibly the most alluring tax haven in the world.

The U.S. is already heavily dependent on foreign money. Last year alone some $86 billion poured into American investments from abroad. By enlarging the pool of capital available for lending, the inflow from overseas has helped ease pressure on interest rates. Without the foreign investment, the prime rate that U.S. banks charge corporate customers, now at 13%, might be 1 to 3 percentage points higher.

Foreign banks and other financial institutions have been big buyers of U.S. bonds. But most individual foreign investors, seeking to avoid the U.S. withholding tax, have favored certificates of deposit offered by overseas units of American banks and bonds issued by U.S. companies in foreign financial centers where taxes are minimal. Now that the American tax has been repealed, foreigners may develop a taste for bonds sold in the U.S. The prospect of increased foreign capital flows and stable interest rates could further fuel the bull market that was gathering force last week.

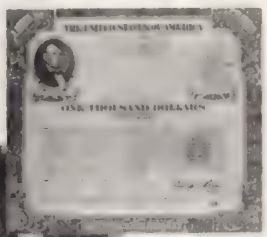
The U.S. Treasury Department urged Congress to repeal the withholding tax. Treasury officials want to sell foreigners more bonds as a way of reducing the interest rates that the Government pays to finance its deficit. Part of Treasury's motivation is political. The last thing Reagan needs in an election campaign is rising interest rates.

The tax repeal has stirred resentment abroad. One European government official accuses the U.S. of "robbing the rest of the world of capital." To keep from losing too much money to the U.S., foreign countries may have to raise their interest rates. In West Germany the central bank and the Finance Ministry have suggested that the government should consider exempting foreigners from tax on its bonds as a way of countering the U.S. strategy.

Many Americans also take a jaundiced view of what the U.S. Treasury is doing. Says Richard Banz, a bond specialist with the London subsidiary of Chase Manhattan Bank: "Never underestimate the ingenuity of a government when it needs money." Critics point out that the new legislation will create an unusual two-tier system in which American investors will continue to pay taxes on bond earnings while foreigners will not. For this reason, John Heimann, former U.S. Comptroller of the Currency, calls the tax repeal a "cynical decision" that invites abuses. American drug dealers and other tax dodgers could use foreign middlemen to invest their cash tax-free in U.S. bonds.

Wall Street investment houses are betting that they will benefit from the tax repeal. In the past, U.S. corporations that wanted to sell bonds to foreigners have generally set up offshore subsidiaries in tax havens like the Netherlands Antilles. Those subsidiaries issued Eurobonds, which are marketed primarily in London and other European financial capitals. Because of the tax repeal, foreigners may now be willing to buy more corporate bonds issued in the U.S. through New York investment firms. European bond houses are confident, however, that their Eurobond business will not be severely hurt. Reason: European investors who like personal service will still buy bonds from nearby sources.

In addition to making U.S. securities tax-free for foreigners, the Treasury is also considering issuing so-called bearer bonds, which can be bought anonymously. As of now, investors who buy U.S. Government securities must supply their names and addresses, and no one else can collect interest on the bond. Interest on bearer bonds, in contrast, is paid through coupons that are attached to the bond. Anyone who presents one of the coupons can receive the interest. Bearer bonds, which have traditionally been issued by many European governments and companies, are popular with investors eager to avoid the scrutiny of tax collectors.



Trading Government securities at Salomon Brothers; inset, a $1,000 Treasury bond

A European finance official accuses the U.S. of "robbing the rest of the world of capital."

Several members of Congress, including Republican Senator Robert Dole of Kansas, are concerned that issuing bearer bonds would mean that some Americans would evade taxes by buying the securities through foreign sources. West European governments have informally urged the U.S. not to resort to bearer bonds. Admits a Treasury official: "Going to that kind of bond might be seen abroad as an admission that we can't finance our own deficit."

The greatest risk from the withholding-tax repeal and the sale of bearer bonds is that the U.S. will grow even more dependent on foreign capital. For decades, America has been a creditor to the rest of the world. But the U.S. may soon owe foreigners more than they owe the U.S. Says Roger Kubarych, senior vice president of the New York Federal Reserve Bank: "By next year, the U.S. could have a net debt of $50 billion."

If overseas investors were to lose confidence in the American economy and begin pulling out money, the result could be a surge in U.S. interest rates. The inflow of foreign capital is merely buying a little more time for the U.S. Government to take steps to close its dangerous budget deficit.

—By Charles P. Alexander. Reported by Lawrence Malkin/Paris and Frederick Ungeheuer/New York

AT&T's REACH OUT AME℠ WHEREVER YOU WANT TO

Now call anywhere in the U.S. for the same price.

There's never been anything like it.

Reach Out America is a new approach to AT&T Long Distance calling that gives you a lot of miles for your money.

You pay for your calls by the hour instead of by the mile. You pay the same low state-to-state rate no matter where in the entire U.S. you call, even Alaska and Hawaii.

Our new hourly rate lets you keep better track of what you're spending. With Reach Out America it's easy to see just how far your money goes.

Here's how Reach Out America works.

The Basic Plan. Call state-to-state, anywhere in the U.S., for one low hourly rate.

All weekend till 5pm Sunday and every night from 11pm till 8am you can use AT&T's new Reach Out America Plan whenever you dial direct state-to-state.

For a flat rate of just $10.00 a month, you'll get one hour of long distance calling. Additional hours cost just $8.75.

If you only use part of an additional hour, you'll only be charged for the part you use. It doesn't matter where you call.

You pay the same low rate because these charges don't vary with distance.

The more you hear the

RICA PLAN TAKES YOU GO FOR $10.00 AN HOUR.

The Bonus Plan.
Get an extra 15% off during our evening discount period.

For just $11.50 a month, you can enjoy all the benefits of the Basic Plan plus an additional discount too.

Get an extra 15% off Sunday through Friday evenings from 5pm to 11pm when you dial direct state-to-state.

That means you'll get another way to save evenings when our rates are lower to begin with.

With Reach Out America nothing will change but the price you pay. You'll still enjoy all the quality and service you've come to expect from AT&T.

Whether you choose the Basic Plan or the Bonus Plan, all it takes to enroll in Reach Out America is a one-time $10 order processing charge.

Reach Out America. It's just one way you can call on us for new ideas in long distance calling. For more information and to order, call

1 800 551-3131.

The best service and now the entire U.S. for just $10 an hour. That's AT&T.

Reach out and touch someone.

better we sound.[SM]

AT&T

Business Notes

MERGERS

The End of the Paper Chase

Last June, Publisher Rupert Murdoch (New York *Post*, the *Times* of London) startled executives of St. Regis by revealing that he had bought 5.6% of the shares of the big paper and forest-products company for $65 million. A few weeks later Murdoch launched a takeover fight. That sent the St. Regis officers scrambling to find a so-called White Knight who would save them from the publisher by buying their firm. Last week Champion International, a rival forest-products giant, came forward to do precisely that. Champion agreed to pay about $1.8 billion in cash and stock for the company. If approved by federal regulators, the deal will create the largest paper producer (combined 1983 sales: $7.1 billion) in the U.S.

Many Wall Street analysts welcomed the transaction. Said Mark Rogers of Dean Witter Reynolds: "This deal will make almost everybody happy." That includes Murdoch, who stands to make a profit of around $37 million by selling his St. Regis stock to Champion.

COMMUNICATIONS

Reach Out and Beep Someone

In the days before telephones, bosses worried about letting their workers get out of shouting range. Nowadays they fret about their employees straying beyond beeping distance. Reason: most of the electronic pagers clipped to the belts of some 4 million Americans have a range of only 50 miles or so. But long-distance beeps carried by satellite and microwave are coming soon. Last week the Federal Communications Commission chose three companies that will be allowed to transmit electronic messages anywhere in the U.S. The three are expected to offer the service in at least 15 cities as early as September 1985. The fee for receiving cross-country beeps is expected to be about $8 a month, or twice the local rate.

The FCC chose the three winners from 16 qualified applicants by using the somewhat unorthodox method of a lottery. Agency officials drew names from a plastic drum borrowed from the Selective Service. This set off loud beeps of protest from such applicants as American Express, MCI and Metromedia, which claim they are better equipped to provide the service than the others. But the relatively small firms that won—Radiofone, Pagememo and United Paging—have links to larger companies, including Western Union and Cox Communications.

EMPLOYMENT

Blue Collars Are Turning Pink

Throughout U.S. history, the dominant images of the American breadwinner have been the burly fellow who toils in factory and field and the executive who reports to work in a three-piece suit. But the times they are achangin', and fast. New figures from the Bureau of Labor Statistics show that in 1983 white male workers became a minority for the first time in the country's history. They now make up 49.3% of the civilian labor force, down from 62.5% 30 years ago.

The percentage of blacks and other minority-group members among workers has increased from 10.7% to 13% since 1954. Far more dramatic, though, has been the rise for women, who have gone from 30.9% of the work force to 43.5% in the past three decades. This trend has reflected women's new freedom and a shift away from agriculture and manufacturing to a more service-oriented economy. Women are enjoying greater opportunities both in executive ranks and in such traditional fields as nursing and secretarial work, where job growth is strong. The feminization of the labor force will continue. The BLS predicts that between now and 1995 nearly two-thirds of all new workers will be women.

PUBLISHING

Final Movement

"I try to avoid doing anything in a superficial way," says Gilbert Kaplan, 43, the publisher of *Institutional Investor*. So he does. In 1982 the amateur musician rented Avery Fisher Hall in New York City's Lincoln Center and hired the American Symphony Orchestra so that 2,700 friends and associates could hear him conduct Mahler's *"Resurrection" Symphony*. Last week Kaplan took another characteristically direct action. Increasingly distracted from the publishing company he founded 17 years ago, Kaplan announced its sale, in addition to 18 TV and radio stations, to Capital Cities Communications, owner of *W* and *Women's Wear Daily*. Price: about $70 million.

The centerpiece of Kaplan's firm is *Institutional Investor* magazine, a glossy monthly with 77,000 well-heeled subscribers (average household income: $147,000). It has an avid following on Wall Street for its irreverent reporting and its annual ratings of securities analysts. Kaplan will stay on as editor in chief of the magazine, but music will also command his attention. He plans to conduct the Mahler work again, with the London Symphony Orchestra on Dec. 9.

HENRY GROSSMAN—PEOPLE

Kaplan conducts Mahler

AIRLINES

Tickets for Sale, Cheap

At least 7 million travelers participate in airline frequent-flyer programs in the hope of racking up enough mileage to earn free tickets to exotic locations. Yet roughly half of such customers fail to use the awards they receive. As a result, these coupons have become a hot new commodity, bought and sold by at least a dozen upstart brokers. The secondhand awards often present a sizable saving for the purchaser, even after the broker has taken a 20% to 40% commission. For instance, one broker was recently offering round-trip, first-class tickets from New York City to Los Angeles, normally $689, for $388.

Ticket Trader Donald McLarty of San Francisco got the idea for his U.S. Coupon Exchange in 1982, when a fellow traveler sold him a round-trip ticket to Hawaii for $100. Brokers like McLarty generally attract buyers and sellers through classified ads and then match them according to destination. Coupon selling is technically legal, but airlines differ in their attitude toward it. While American Airlines strictly forbids trading and Eastern plans to clamp down on the practice, Delta generally looks the other way.

JANET FAIS

Coupon Broker McLarty

Alice; Hillman, Marie, 15; William, 17

"When our 20-year-old Maytag needed parts, we figured it was finished," writes Mrs. Levie.

"Imagine our delight to learn there were repair parts in stock for our old washer."

"When our old Maytag Washer gasped and seemed to die a natural death, we thought we'd have to get a new one because there'd be no repair parts available," states Mrs. Alice Levie, Fort Defiance, Arizona.

"Were we ever wrong! We checked with the repairman in Gallup, New Mexico, and were so happy when he said there were parts for our old washer." That's because Maytag keeps repair parts in stock for as long as there's reasonable demand for them. And that can be a long time, because Maytag Washers are built to last longer and need fewer repairs than any other kind.

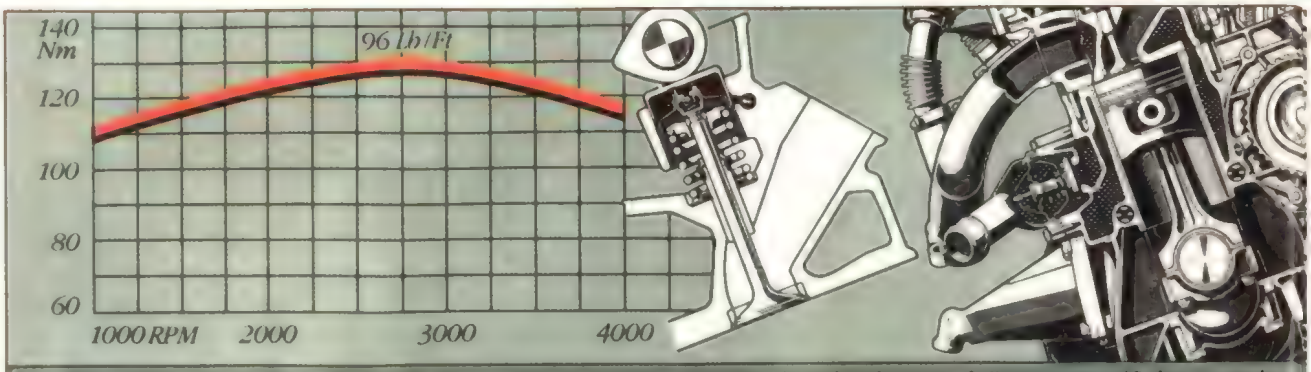
"So we tied our washer on the back of a borrowed pickup, hauled it in, and it was running good as new before the week was over," she reports.

"My husband and I want to thank you for building an appliance to last through family use day after day, for many years, *and* for continuing to make the parts needed for repair," concludes Mrs. Levie.

Naturally, we don't say all Maytags will equal that record. But long life with few repairs is what we try to build into every Maytag appliance.

See the ranges and microwave ovens we've added to the Maytag family, as well as our washers, dryers, dishwashers and disposers.

MAYTAG
THE DEPENDABILITY PEOPLE
The Maytag Company, Newton Iowa 50208



190 D engine highlights. 1. High torque over a wide rpm range. 2. Hydraulic valve elements. 3. Engine sits at 15-degree angle.

The 190 D 2.2 Sedan: Mercedes-Benz streamlines the diesel engine, the diesel automobile, and the diesel experience.

SET FREE on the test track, the Mercedes-Benz 190 D 2.2 Sedan could cruise at velocities very close to 100 mph. At sports sedan levels of roadholding tenacity. And quieter than any production diesel in Mercedes-Benz annals.

This $24,000* sedan seems determined to alter the very nature of diesel driving. That was the plan: Mercedes-Benz engineers have literally pulled apart the diesel concept and put it back together in an extraordinary new way.

SACRILEGE UNDER THE HOOD

The 190 D's 2.2-liter power plant is a major rethinking of diesel engine technology. It mobilizes a cross-flow cylinder head, hydraulic valve elements, the precision of electronic injection pump timing, and sound-absorbing engine encapsulation–among numerous advances–in the diesel cause.

It is not only the quietest but also the lightest (by 25 percent) and the *stingiest* production diesel engine in Mercedes-Benz history–35 EPA estimated mpg and 51 estimated highway mpg.† Yet it is almost too crisply responsive and free-revving to feel like a diesel at all.

Imagine the performance flexibility of a four-cylinder diesel engine that generates high torque across a wide rpm range. That doesn't lag but darts up to 55 mph. That feels at home in an Interstate passing lane.

It is meanwhile an engine steeped in the diesel virtues of reliability and durability. In cold weather, it even *preheats* its own fuel.

FUN COMES TO DIESEL DRIVING

Aim the 190 D down your least favorite piece of back-road blacktop and be astonished. It feels euphorically eager and reassuringly stable–less like a typical diesel sedan than a sportingly adept machine that doesn't need gasoline.

"It's clear," comments *Road & Track* of the new 190 Class, "that Mercedes spared no expense in designing the suspension of this agile road car–it may well be the best handling Mercedes ever built."

Its trailblazing multilink independent rear suspension and other chassis advances are fitted to the trimmest Mercedes-Benz sedan of modern times: 2,645 lbs., 14½ feet nose to tail.

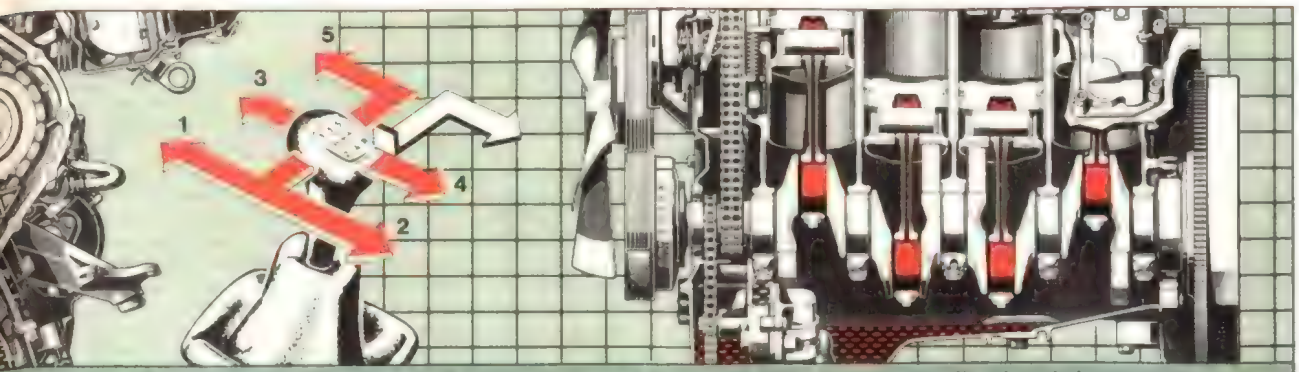
A *five*-speed manual transmission restores the joy of shifting, with fifth gear functioning as an overdrive for sustained cruising. You can alternatively order a four-speed automatic version. This lightweight torque converter unit is so well engineered that friction losses–and fuel wastage–are minimal.

ERGONOMICS AND AERODYNAMICS

The 190 D's cabin is as physically and psychologically comfortable as ergonomic science can devise.

One reason the 190 D is such a quiet-running diesel is that it is the most aerodynamically slick passenger car in Mercedes-Benz history. Imagine: a four-door sedan with an 11.7-cu. ft. trunk that nonetheless rivals even exotic sports cars for wind-cheating,

*Approximate suggested advertised delivered price at port of entry. †Use EPA est. mileage for comparison. Your actual mileage may vary depending on speed, trip length and weather. Actual hwy. mileage will probably be less. California estimates vary. ‡See your authorized dealer for complete warranty information.



4. Sporting five-speed manual gearbox. 5. To minimize thermal stress, each piston is automatically oil-cooled as it moves.

turbulence-curbing efficiency.

The 190D's 8½-foot wheelbase–remarkably ample for a car of this length–helps afford such remarkable interior space that the driver's legroom in this car matches that in even the *largest* Mercedes-Benz sedans.

The seats are superb–"Good seats. Strong seats. Mercedes seats." says *Autoweek*, succinctly. You cannot buy a thinly equipped 190D because everything from AM/FM electronic stereo radio with tape cassette player, to climate control system, to automatic cruise control, to electric window lifts–even the choice of an electric sliding roof–is standard. From hand-finished wood to velour carpeting, trim standards are pure Mercedes-Benz.

The same can be said for the 190D's safety standards. It is 2,645 lbs. of Mercedes-Benz solidity and strength, and integrated into its design is the same level of safety as you will find in every other automobile that bears the Three-Pointed Star.

The 190D was designed for quick and infrequent maintenance, and for *practicality*: note those deformable front and rear bumpers, for instance, meant to yield to minor impacts and regain their shape. At 48 months or 50,000 miles, its limited warranty‡ is perhaps the most confident in the industry.

Will this $24,000 automobile retain its value over time? Consult the record: it shows that Mercedes-Benz need not apologize for the resale performance of any car it has sold in America over the past two decades.

The Mercedes-Benz 190D 2.2 Sedan is indeed a new breed of diesel. A diesel not only meant to be driven for years–but to be driven pleasurably, every mile of the way.

Engineered like no other car in the world

Preserving the Great Salt Lake

Utah struggles to tame a body of water turned outlaw

For three miles beyond what was once the eastern edge of the Great Salt Lake in Utah, cottonwood and birch trees stand in 9 ft. of brackish water, their trunks burned and their branches leafless. Dead wood and decaying, bloated carp litter the shore. Roads are flooded out, towers for power lines sit in muddy pools, and farther south, the famed Saltair resort with its Moorish-style gold domes is shut down.

Roiled since 1982 by prodigious storms, the 30-mile-wide Great Salt Lake has risen 10 ft., its fastest climb ever, overspilling its borders and flooding the land around it. What was once the driest state in the union after Nevada is fast becoming a water wasteland: tens of millions of dollars' worth of property has been destroyed, wildlife has diminished catastrophically, and tourism around the lake has bottomed out. Says Utah Governor Scott Matheson, with tragicomic wit: "It's a hell-uva way to run a desert."

In an effort to stem the tide of destruction, workers with the Southern Pacific Railroad maneuvered a large crane last week along a 27-mile causeway built of 50 million cu. yds. of rock, sand and gravel that divides the lake into north and south sections. The aim of the engineers: to begin carving a 300-ft. breach in the causeway, the final step in a three-month, $3.2 million project. If they are successful, water on the south side of the lake will fall about 9 in. during the next two months, lessening the threat of floods to Salt Lake City, nearby suburbs, interstate highways and railroads. The north segment of the lake, located in a thinly populated area, could climb as much as 3 ft.

The recent deluge is only the latest crisis in the Great Salt Lake's erratic history. Lying in the Great Basin between the Rockies and Sierra Nevadas, the lake collects runoff from the nearby Wasatch Range. Its only outlet is through evaporation, so the lake becomes 2 million tons richer each year in mountain minerals that have no means of escape. Some parts of the lake can be eight times saltier than the ocean. Perhaps even more remarkable, the Great Salt Lake generates its own weather system, known as the dreaded lake effect (DLE). During early spring, when a storm moves into the area, the clouds over the lake are often colder than the water. As a result, warm air laden with moisture rises into the clouds, intensifying the storm. Normally, the most significant impact of the DLE is to enliven the skiing season with a few extra feet of snow. But in the 1870s the lake swelled to an alltime high of 4,211.6 ft. above sea level. In 1983, April showers followed an exceptionally snowy winter and led to this year's peak of 4,209.25 ft. Larger in an average year than Rhode Island, the lake has grown by 30%, to 2,250 sq. mi. As one Utah meteorologist puts it, "If you compared it to earthquakes, it would be as if you had a Richter scale from one to ten, and the last two years were 15."

With an emergency at hand, the state spent $21 million to raise the interstate highway at the south end of the lake and another $50 million to clean up damaged Salt Lake City. Companies operating at waterside constructed dikes to protect their facilities.

The lake's expansion was disastrous for the region's wildlife. Forty years ago, Utah and the Federal Government created a series of vital state refuges, 400,000 acres of fresh-water marshes fed by mountain streams and protected from the saline lake by small dikes. Now three-quarters of all the marshlands have been flooded with salt water, which has killed the fish and driven away nesting birds. Some 300,000 of the 400,000 ducks that normally hatch each year have been lost, and the reproduction rate of Canadian geese has been cut in half. Officials also fear for the habitats of endangered bald eagles and peregrine falcons. Says Sam Manes, a biologist with the Utah State Division of Wildlife Resources: "I wish this hadn't happened in my lifetime. I may never see the lake go down again."

TIM KELLY

Waves rush from south to north after the causeway is breached

Despite the threatened disappearance of this natural paradise, some quarters staunchly oppose the breach idea. Before the flooding, the causeway had unbalanced the salinity of the lake, giving the north end a salt content of about 28%, in contrast to the south's 12%. That discrepancy has been a particular boon to the Great Salt Lake Minerals & Chemicals Corp., the largest company to mine the northern waters for salt and potassium. Because the causeway breach will eliminate the disparity and further reduce mining efficiency, GSL fears that its $85 million plant and 300 employees will be put out of business. It sued unsuccessfully in federal court to stop the project. Says GSL President Peter Behrens: "It's amazing that the Government can expropriate our livelihood without giving us any compensation."

The most nagging problem of all, however, is the unpredictability of the region's weather. The new channel in the causeway will certainly help if flooding continues next year, a condition the weather service now predicts. But the Great Salt Lake is a kind of watery manic-depressive: it has undergone four major up-and-down cycles in the past century. The lake's fitful behavior makes it difficult to justify huge sums of remedial money for what may be temporary ills. Says Governor Matheson: "It's hard to make long-range solutions for too much water when several years from now, we may not even have that problem." ***—By Natalie Angier. Reported by Robert C. Wurmstedt/Salt Lake City***

Fifth Avenue's Literary Lion

Vartan Gregorian rescues the New York Public Library

The 1970s were bitter years for the New York Public Library. Because of budget restraints, the main research library, housed in Carrère and Hastings' magnificent 1911 neoclassical palace at Fifth Avenue and 42nd Street, which once was open 87 hours a week, could afford to stay open only 43 hours. Rain was leaking through the roof and into the stacks, endangering a number of the library's 6.5 million volumes. New Yorkers looked upon the library, supported for eight decades by a combination of private philanthropy and tax dollars, as a shabby invalid. Even "Patience" and "Fortitude," the majestic marble lions that guard the library's entrance, appeared sooty and defeated.

But today the institution is reclaiming its position as one of the world's great libraries, thanks to a new lion in its president's office. Vartan Gregorian, 50, a pudgy, bearded historian who bears more than a passing resemblance to Patience and Fortitude, came to his post as head of the system's four research and 82 branch libraries in 1981, after eight years as professor, dean and provost at the University of Pennsylvania. Born in Iran, Gregorian is an Armenian American who speaks Russian, Turkish, Persian, French and Arabic in addition to his first language, Armenian. He has a disarming habit of dropping articles like *the* when he speaks English (a surprise, for instance, "comes out of blue"). Yet he has eloquently convinced New Yorkers that their library, which contains such treasures as a Gutenberg Bible and George Washington's Farewell Address in his own hand, is nothing less than a central force in the preservation and transmission of civilization. Says Gregorian: "This library is as important as any university."

When he was passed over for the presidency of the University of Pennsylvania in 1980, faculty and students staged campuswide protests. His supporters in New York, who range from Mayor Edward Koch to Philanthropist and Civic Leader Brooke Astor, also praise him in what has become an almost monotonously approbative Gregorian chant. Andrew Heiskell, chairman of the New York Public Library and former chairman of Time Inc., says, "Greg has a strange combination of scholarship, energy, drive, salesmanship, enthusiasm and even a certain naiveté."

Those qualities have helped Gregorian prevail over what once seemed a nearly hopeless financial morass. When he arrived, the library was balancing its budget not only by cutting back services but by eating into its $80 million endowment. Then Gregorian began stating his case to potential givers. It was both blunt and plain: the library is necessary and therefore it should be supported. "I have never relied on the guilt or vanity of donors," explains Gregorian. "Charity you give out of pity. Philanthropy is for a higher cause."

Perhaps Gregorian's greatest talent has been in putting together a coalition of library boosters that includes politicians, scholars and business leaders. His first convert was Heiskell, who accepted the chairmanship of the library on the condition that he could pick the president. Says Heiskell: "Greg was head and shoulders over everybody else." Brooke Astor, widow of the late Vincent Astor and head of the foundation that bears his name, was so impressed by Gregorian that she put aside many of her other philanthropic projects to devote more time to helping him raise money. In the past three years, the combined efforts of Heiskell, Astor and Gregorian have brought in $34 million in private funds from more than 40,000 donors, including over 1,000 corporations. For the third year in a row, the National Endowment for the Humanities has given the library a matching grant of $2 million or more. The city voted this spring to allocate $11.3 million to expand the 88 miles of stacks underground, and in 1985 total city support for the operating budget will be $50 million (up from $28 million in 1981).

BOB SACHA

Gregorian in the library's gleaming periodical room

A strange mix of scholarship, salesmanship, naiveté.

Many of Gregorian's recent achievements are visible. The face of the library's great white marble building has been washed as part of a $44.8 million structural rehabilitation program, which is also restoring the handsome Beaux Arts interior. The central research library is open 57 hours over six days each week; the 82 branches have increased their hours by 40%. The staff is testing a computerized information-retrieval system that will probably go on line for research library patrons within a year. In June the main library reopened its grand exhibition hall, closed for 40 years, with a show on 500 years of censorship. It is the first of many exhibits designed to make available to the general public scholarly texts that ordinarily would be tucked away upstairs. Gregorian has also turned the library into a cultural center for the city by holding literary lunches and dinners that bring together scholars, writers, socialites, philanthropists and professional men and women.

Gregorian is an executive in perpetual motion. On one typical day, he went over his budget, discussed the purchase of a collection of papers of an Irish tobacco merchant, mulled over the acquisition of materials on the missing Swedish diplomat Raoul Wallenberg, lunched with film makers who are preparing movies on such American poets as Pound and Eliot, made a fund-raising visit to an accounting firm and attended an evening presentation on black culture at a Harlem branch library. Gregorian, who sees his role as a sort of cultural ambassador, topped off another 14-hour day with a concert at Lincoln Center. Says he: "If you're not there, people think library is not important institution."

Right now, Gregorian is working with the city schools on a pilot project to coordinate branch hours and programs with school offerings. He is also participating in a program to restore and reclaim Bryant Park, a seedy nine-acre enclave behind the library. Says Gregorian: "Three years ago, I was told I was insane to come to library. They said, 'Have you lost your dedication to scholarship?' I told them, 'No, I have refocused it.' " Adds Gregorian fervently: "The greatest threat to liberty is ignorance. The teacher in me will not give up." —*By Ellie McGrath. Reported by Jeanne-Marie North/New York*

Brutality and Bathos in Santa Fe

Hans Werner Henze's opera We Come to the River *is stunning*

It is an astonishing theatrical tour de force, sprawling across three stages and accompanied by three orchestras. The essentially atonal score nevertheless embraces a variety of styles, including a show-stopping military march. The libretto is one of the harshest antiwar tracts in all of opera, a soldier's tale of unrelieved brutality that opens in a battlefield slaughterhouse and ends with violent death in a madhouse.

Technically dazzling, emotionally searing, although ideologically bathetic, Hans Werner Henze's *We Come to the River* has just been given its American premiere by the Santa Fe Opera, eight years after its first performance in London. It was a welcome event: the prolific German-born Marxist composer, 58, has created one of the postwar period's most accomplished operas.

MICHAEL MESSINA

Confined to an asylum, the General (Braun) confronts his tormentors

Mutilation, murder, madmen and show-stopping military march.

We Come to the River is set to an original text by British Playwright Edward Bond. The principal themes—the evils of fascism and the brotherhood of the masses—are ones that Henze has previously explored in such vocal works as the *Essay on Pigs* (1968) and *El Cimarrón* (1969-70), written in Cuba. "New museums, opera houses and premieres are not necessary," Henze declared in 1967. "What is necessary is . . . the greatest work of art of mankind: the world revolution."

Brave words, if not wise ones. But Henze, a sybaritic socialist with a well-developed taste for capitalist pleasures, has never let politics stand in the way of artistic success. He excoriates the Nazis, the treatment of blacks in the South and the nuclear destruction of Hiroshima, while overlooking such evils as Stalin's Gulag. Yet the opera's blinkered world view is secondary to its musical and dramatic substance—for the audience and, perhaps, for the composer as well.

The setting is an imaginary empire. An abortive revolution has been quelled by the General (Baritone Victor Braun). A deserter is executed; later, his wife and her mother, who have been looting corpses in order to survive, are also shot. Sickened by the carnage, the General turncoats and is imprisoned in an insane asylum. There the inhabitants obsessively recite litanies of violence as they tear their hair and rend their clothes. When the General once again refuses an order to take the field on behalf of king and country, his eyes are put out. Images of his victims appear before the blinded General; frightened, the asylum's inmates kill him, while ghosts of the liberated dead sing a hymn to the revolution: "We stand by the river./ If the water is deep we will swim./ If it is too fast we will build boats./ We will stand on the other side./ We have learned to march so well/ That we cannot drown."

What could have easily been a dreary political harangue, however, emerges instead as an object lesson in how to organize a vast musical canvas. With his split-level stages, Henze takes maximum advantage of opera's unique capacity to present several ongoing comprehensible tableaux simultaneously, and he characterizes each of the principals with distinctive motives and timbres. Thus the agonized atonality of the General's music contrasts sharply with the perfumed, quasi-Orientalism of the Emperor's, which is tinged with bells and gongs; an arioso for the sensitive Soldier 2 (Tenor James Atherton), who assassinates the Governor out of desperation, is sung to a delicate guitar obbligato.

We Come to the River is an opera that owes much, both musically and dramatically, to such 20th century masterworks as Alban Berg's *Wozzeck* and Bernd Alois Zimmermann's *Die Soldaten*. Henze's acknowledgment of his sources is evidenced not only by the military theme but by the multistage concept, which is inspired by *Die Soldaten*. The figure of a doctor who spouts dubious medical theories is derived from the sadistic quack who torments Wozzeck, and near the end of Part I, Henze quotes the Berg opera's drowning motive as the deserter's mother-in-law, mortally wounded, sinks in the river.

The Santa Fe production, directed economically and forcefully by Alfred Kirchner, is a triumph, with strong performances by an enormous cast (111 roles in all) that sings well and, crucially, projects the English words clearly. The three orchestras, encompassing more than 120 instruments, are conducted with authority by Dennis Russell Davies. Formerly of the St. Paul Chamber Orchestra, Davies, 40, has won an impressive reputation in Europe as a modern-music conductor, largely through his adventurous programming at the Stuttgart Opera.

Henze's grim fable is not the only fillip for jaded operatic appetites in the New Mexican highlands this summer. A double bill of Alexander von Zemlinsky's *Eine Florentinische Tragödie* (1917) and Erich Wolfgang Korngold's *Violanta* (1916) presents a pair of pseudo-Straussian potboilers, the former by Arnold Schoenberg's brother-in-law and the latter by a Viennese-bred *Wunderkind* who later became a Hollywood composer best known for his brassy scores for such films as *Anthony Adverse* and *The Adventures of Robin Hood*. Each work concerns a fatal love triangle in Renaissance Italy—in Florence, the interloping lover is killed, while in the Venice of *Violanta* it is the wife—and each partakes generously of the lustful, late Romantic idiom perfected by Strauss in *Salome*.

Although the Korngold offers his typically brilliant orchestration and a meaty tenor aria, neither piece is likely to enter the permanent repertory. Nor, for that matter, is Henze's opera, given the odds against new works. But institutions have a duty to expose listeners to the unfamiliar. The Santa Fe Opera, long in the forefront of such experimentation, is doing just that.

—**By Michael Walsh**

A Terrorist for Our Times

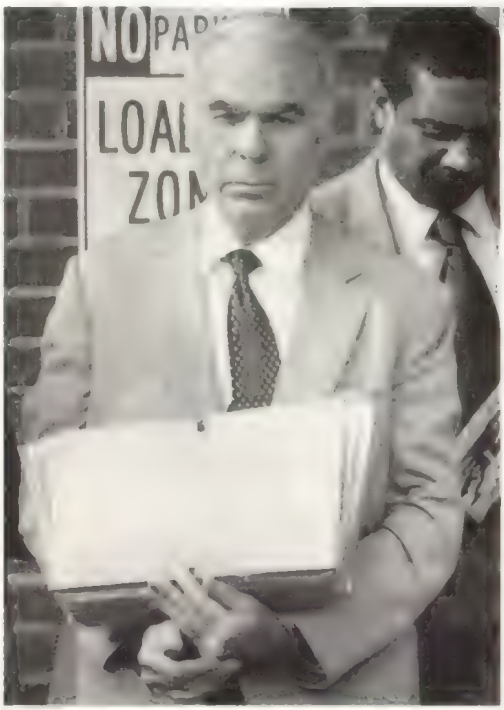
THE DEATH MERCHANT *by Joseph C. Goulden*
Simon & Schuster; 455 pages; $17.95

In 1982, when former CIA Agent Edwin Wilson was awaiting trial for having masterminded the biggest arms-smuggling operation in U.S. history, he spent his time plotting the assassination of two federal prosecutors and six potential witnesses against him. For that crime Wilson was sentenced to 25 years in prison. In addition, he received 32 years for smuggling explosives and weapons to Libya.

Because of a technicality, Wilson was spared prosecution for the murder contract he had put out on his hated former wife, the mother of his two children. "Take her off somewhere and break her neck," he told a prospective hitman, who went to the authorities. Wilson specified that he wanted Barbara Wilson's corpse stripped of her jewelry, especially her big diamond ring. "It's my good-luck piece," he said. "I want it back." Asked what he would pay for the job of killing her, he replied, "She's worth $250,000."

Characters willing to wipe out anyone who gets in their way are ordinarily found in overheated fiction. Yet Joseph Goulden's riveting account of the Wilson case makes such villainy seem chillingly plausible. Goulden, a respected investigative reporter, who has written twelve books of nonfiction *(The Superlawyers, Korea)*, suggests that Wilson's character was formed by a harsh, cold father and a childhood spent on the rough edge of poverty in Idaho. Young Wilson showed a flair for manipulating other people, without undue regard for affection or morality; this trait aided his work as an operative for the CIA and the Office of Naval Intelligence. By the mid-1970s, Wilson had achieved a shadowy prominence in Washington. As Goulden tells it, scores of Government officials, Congressmen and Pentagon officers were mesmerized by the not-so-secret agent's lethal charm.

More alluring still was the promise of big deals and easy money that Wilson laid before dazzled guests at his 3,000-acre estate in the Virginia hunt country. Some enthusiastically accepted jobs in his flourishing export business. To those who wondered how a man who said he was a Government employee could be raking in so much cash and whether the whole setup did not reek of illegality, Wilson had a ready reply: his vast arms business in the Middle East was an officially sanctioned cover for his real work, which was gathering intelligence for the CIA.



Edwin Wilson: "Take her off somewhere and break her neck"

Excerpt

"Wilson lived austerely. He would ask someone flying down from London to bring him a suitcase of food items not available in Libya. The typical shopping list would be canned frankfurters, Velveeta processed cheese, peanut butter and honey. Wilson read chiefly spy novels, with Robert Ludlum his favorite author. The nonfiction book he liked the most—and insisted upon employees' reading—was *Will*, the autobiography of Watergate conspirator Gordon Liddy—"My kind of guy." Wilson called him. He drank more and more—a quart or more of flash [a potent moonshine] a day. John Heath, who lived in the villa during the final days in Tripoli, is convinced that the sustained heavy drinking eventually affected Wilson's mind. 'Ed had the reputation as someone who could hold it. But nobody can "hold" flash. It knocks you off your ass and then it knocks you off your brain.'"

Wilson never could substantiate that claim in court. But it fed already widespread suspicions about U.S. intelligence practices and influenced the only acquittal that the arms dealer received after his empire went to smash. At his 1983 trial for attempting to hire three Cubans to assassinate a Libyan dissident in 1976, one of the Cubans testified that he had indeed worked with Wilson in both the CIA and Naval Intelligence, albeit before Wilson had put out the murder contract. The reaction of a member of the predominantly black jury appeared to reflect public opinion at the time: "This seemed like some kind of spook deal when all dudes were lying on one another. They ought to go make some of them James Bond movies."

The scenario that Wilson tried to hide behind does not survive Goulden's scrutiny. The author presents convincing evidence that his antihero was fired by the CIA in 1971 and by Naval Intelligence in 1976, both times for financial improprieties. Wilson was thus a private citizen when he began to amass a fortune by illegally selling weapons to Libyan Dictator Muammar Gaddafi. Wilson's brazenness boggles the mind. He fed Gaddafi's delusion that immense quantities of military hardware would guarantee the leader's two stated objectives: the destruction of Israel and the murder of all exiled opponents of his regime. Gaddafi did not realize that sophisticated arms and naive zealots do not always mix. The former Green Berets Wilson recruited to train Libyan soldiers and prospective assassins quickly learned this lesson. After a few weeks in Tripoli, one pilot who had been hired to teach the intricacies of U.S. Chinook helicopters told his boss, "These rug-heads have 20 Chinooks now. The rate they're going, they'll be out of aircraft in a month. They can't fix 'em, they can't fly 'em—hell, this is some kind of Camel Air Force."

Goulden gives such farcical moments their due, but he never lets them obscure the darker and more devastating effects of Wilson's dealings. The arms shipped to Gaddafi immeasurably strengthened the one world leader who is wedded to international terrorism. By no means all the weaponry Gaddafi received misfired. A Libyan student at Colorado State University was shot and maimed by one of Wilson's hitmen; other dissidents scattered across the world live in fear of Wilson's bullets. Though history is full of criminals as wicked as Wilson, this man is clearly not in the classic mold. As he emerges from Goulden's prescient book, he can be seen as the archetype of the future: the merchant of death in the age of terrorism.

—By Patricia Blake

It's one of the most exp

It costs un

We put five years and a billion dollars into the design and manufacture of Topaz before the first car rolled off the assembly line.

The result? A revolutionary "fast burn" engine that constantly swirls the air-and-gas mixture in the firing chambers, drawing more power out of a drop of gasoline than conventional engines.

A slippery aerodynamic shape that gives you a firmer grip on the road. More efficient engine cooling. And a fuel economy rating of 43 EST. HWY. 28 EPA EST. MPG.**

An engine computer that processes

*Manufacturer's suggested retail price of vehicle shown is $7,991. Title, taxes, and destination charges extra. **Compare to the estimated MPG of other cars. Your mileage may differ depending on speed, weather and trip length. Actual highway mileage less. Applicable to units without air conditioning.

ensive cars in the world.
der $8000.*

250,000 commands a second to regulate everything from the mundane (spark plug timing) to the amazing (shutting down the air conditioner momentarily in order to devote more power to the accelerator).

And rack-and-pinion steering, front-wheel drive, and 4-wheel independent suspension that put into the driver's hands a responsiveness to the road you may never have experienced before.

So call us toll-free at 1-800-MERCFAX for a 1984 Topaz catalog. And find out how inexpensive it is to own one of the most expensive cars in the world.

Mercury Topaz

Get it together—buckle up.

Lincoln-Mercury Division Ford

STAR BLACK

Navasky and Cerf

Look It Up

THE EXPERTS SPEAK
by Christopher Cerf and Victor Navasky; Pantheon; 352 pages; $19.95

This book is irreverent, unfair and subversive. What more could anyone ask for? It begins with the 16th century geological musings of Martin Luther: "Longer ago than 6,000 years the world did not exist." It hurtles downhill from there toward outright insolence. Did Abraham Lincoln really say in 1859, "Negro equality! Fudge! How long . . . shall there continue knaves to vend, and fools to quip, so low a piece of demagogism as this"? Did the U.S. Labor Department truly announce that 1930 would be "a splendid employment year"?

You can look it up. For those who still accept without question the hokum that too often issues from the mouths of eminent personages, Christopher Cerf, coconspirator in such truly dangerous works of spoofery as *Not the New York Times* (1978), together with Victor Navasky, editor of that sobersided weekly, *The Nation*, has collected more than 2,000 of these gems of misplaced certitude. "We can say with some confidence," they say with supreme confidence, "that the experts are wrong without regard to race, creed, color, sex, discipline, specialty, country, culture or century."

The evidence is impressive. "Everything that can be invented has been invented," said the head of the U.S. Patent Office in 1899. Declared Wilbur Wright in 1901: "Man will not fly for 50 years." Thomas Edison, circa 1880: "The phonograph . . . is not of any commercial value." Albert Einstein, 1932: "There is not the slightest indication that [nuclear] energy will ever be obtainable." Richard Wooley, then Britain's Astronomer Royal, 1956: "Space travel is utter bilge."

One may quibble with the editors' rather broad definition of an expert. Richard Nixon is included ("When the President does it, that means it is not illegal," 1977). Also Jimmy Carter ("Because of the greatness of the Shah, Iran is an island of stability in the Middle East," 1977). Also Ronald Reagan, often. But so are laboratories full of more justly certified savants like Lord Kelvin, the respected British physicist ("X rays are a hoax," circa 1900), and Dr. Linard Williams, medical officer to the Insurance Institute of London, who said in 1932: "If your eyes are set wide apart you should be a vegetarian, because you inherit the digestive characteristics of bovine or equine ancestry."

After digesting a few dozen such nuggets of certified knowledge, one may feel a tendency to distrust experts of all sorts, and experience a nagging itch to start questioning authority. A reader may even suspect that his opinion is worth just as much as that of any horn-rimmed oracle in the land. Beware. Lest a layman become so emboldened that he or she starts holding forth at cocktail parties without having done the homework, Cerf and Navasky offer the last words of John B. Sedgwick, a Union Army general at the Battle of Spotsylvania in 1864: "They couldn't hit an elephant at this dist—" —*By Donald Morrison*

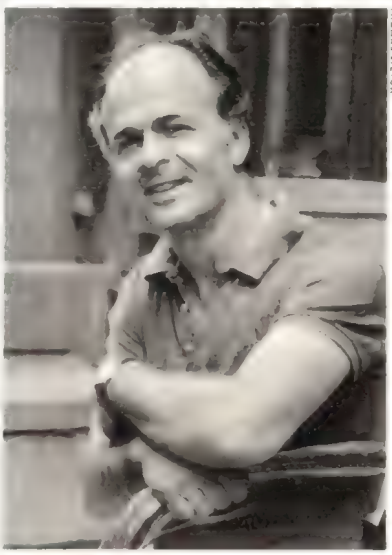
Wimps in Love

TIME TO GO
by Stephen Dixon
Johns Hopkins; 181 pages; $12.50

In the era of the blockbuster novel, short-story writers have had a hard time supporting their habit. While Novelists John Updike and Saul Bellow can afford occasional forays into the briefer forms, a hard-bitten short-story adept like Stephen Dixon, 48, has had to toil as a bartender, waiter and pajama salesman to pay for the privilege of persisting in an unprofitable genre. But a boomlet in short fiction seems to be at hand. Publishers are wagering in increasing numbers that storytellers can attract readers beyond the pages of the little magazines.

In Dixon's case, that risk seems well worth taking. Over the past 24 years he has had some 200 stories published in 125 periodicals, ranging from the venerable *North American Review* to the ephemeral *Nitty-Gritty*. Among his seven books, published mainly by small presses, his latest, *Time to Go*, emphatically establishes him as one of the short story's most accomplished if quirky practitioners.

Almost obsessively, Dixon has doomed the protagonist of most of his stories to repeated and often farcical failures in love. Whether named Mac, Jules or Will, he is conspicuously a loser. Speaking with a strikingly distinctive voice, this hapless character is alternately self-pitying and self-mocking, weepily sentimental and stonily sharp-witted. He unceasingly endures abuse, rejection, infidelity, abandonment and most of the other mortifications that can befall a man in the throes of passion.



THOMAS VICTOR

Stephen Dixon

End of Magna catches the antihero in the act of talking himself out of the love of his life. "She's too good for me. She's too beautiful, too intelligent, too perceptive, too creative, too everything," begins an interior monologue that could be a manual of masochism. In that story the woman walks out kindly. Not so the 20-year-old in *For a Man Your Age*, whose explanation of why her lover is too old for her is cruel beyond the call of love or duty. She knows all a man's vulnerabilities and has deadly aim: "You're very experienced, but you're not a young man in bed. You make love the way you do because you have to." The poor chump replies by asking what else is wrong with him and by telling his tormentor: "I'd marry you today and conceive with you tonight if you wanted and we could."

Much of the satiric power of Dixon's stories springs from his reversals of sexual stereotypes. His women tend to be aggressive, and his standard male character is at best foolishly romantic. Yet the final cycle of stories in this collection suggests that a wimp can turn into a mensch. For the first time in the Dixon canon his male character gets the girl. In the title story he actually marries her, in spite of an imagined, ironic commentary on his courtship by his late father. The story *Wheels* lovingly tells of the baby that is born of the marriage. In one affecting and indeed surprisingly beautiful scene, the man, in diapering his child, is reminded of a time when he nursed his dying, incontinent father. Evidently the resolution of the hero's romantic miseries has brought to Dixon's work not only joy, but insight into the keener shadings of grief. —*By Patricia Blake*

Cinema

It Came from Beyond Bananas

THE ADVENTURES OF BUCKAROO BANZAI ACROSS THE 8TH DIMENSION
Directed by W.D. Richter; Screenplay by Earl Mac Rauch

What is this movie anyway? Only the first sci-fi western action adventure rock-'n'-roll melodrama farce. Only *Star Wars, The Magnificent Seven, The War of the Worlds, The Right Stuff, Strange Invaders, Eddie and the Cruisers* and *Plan 9 from Outer Space* mixed and mismatched as if by a mad scientist in his *Late Show* lab. And its Japanese-American hero? He is only the avatar of Han Solo, A.J. Foyt, J. Robert Oppenheimer, Christiaan Barnard, Bruce Lee and Bruce Springsteen. A state-of-the-art spaceship flying at the speed of light without narrative coordinates, *Buckaroo Banzai* is the very oddest good movie in many a full moon.


Weller: Renaissance rocker

A feeble attempt must be made to synopsize the film's hallucinogenic plot. In 1938 Orson Welles scared his radio fans with a show about aliens landing in Grovers Mill, N.J. *Buckaroo Banzai* proposes that the invasion was for real. The aliens were not Martians but "Lectroids" from the distant Planet 10, who took on human form while searching for the technology needed to destroy the earth and launch them back to do intergalactic evil. Now the technology, an Oscillation Overthruster, is just beyond their grasp: in the hands of our hero, who discovered it while traveling through solid rock and into the eighth dimension.

And so a ferocious battle of wits ensues. On one side: Buckaroo (Peter Weller) and the members of Team Banzai. On the other: Dr. Emilio Lizardo (John Lithgow), once a brilliant physicist, now the vilest, battiest extraterrestrial in all the genre. Meanwhile, the benevolent rulers of Planet 10 hover above New Jersey in a craft that looks like the Mollusk from Outer Space, dispensing wisdom and even more confusion. Where will it lead? Most likely to nuclear annihilation. Already the President of the U.S. is opening a dread, eyes-only packet that reads DECLARATION OF WAR: THE SHORT FORM.

The plot, though, is only the lid of this Pandora's toy chest. Inside, the alert viewer will find humor, imagination and a little Oriental mysticism. (Buckaroo's slogan, "No matter where you go, there you are," could serve as a fortune-cookie credo for the no-problem '80s.) There is also a passel of sharp performances. The presence of such actors as Christopher Lloyd (Zenned-out on an inner voice that must sound like Daffy Duck's), Ellen Barkin (with her bruised features and street-angel smile) and Jeff Goldblum (heartthrob of the Mensa sorority) clues *Buckaroo Banzai* as very chic sci-fi. Lithgow, the movies' Mr. Versatile (transsexual jock in *The World According to Garp*, bumbling lover in *Terms of Endearment*, incendiary preacher in *Footloose*), here does a manic turn as Dr. Lizardo; it is as if old mad Ezra Pound were played by Klaus Kinski. And Weller—his cobalt eyes borrowed from Paul Newman, his iron jaw from D.C. Comics—makes a stalwart Renaissance man for the atomic age.

2001: A Space Odyssey proved that moviemakers didn't have to tell the whole story to hold their audiences. *Star Wars* showed that a film could contain more information than most viewers could catch the first time around and still be an alltime blockbuster. MTV serves up a Dalicatessen of surreal images, and everybody comes back for seconds. *Gremlins* goes through more drastic mood changes than Sybil; it has sold more than $100 million worth of tickets this summer. *Buckaroo Banzai*, then, is simply extending the trend of data overload. Still, its creators, Earl Mac Rauch (*New York, New York*) and W.D. Richter (who wrote *Slither* and *Brubaker*), propel their film with such pace and farfetched style that anyone without Ph.D.s in astrophysics and pop culture is likely to get lost in the ganglion of story strands. One wonders if the movie is too ambitious, facetious and hip for its own box-office good.


Lithgow: intergalactic rotter

At film's end the producers promise another episode: *Buckaroo Banzai Against the World Crime League*. Is it possible that this wild bronc ride of a movie can be popular enough to spawn a sequel? Watch the grosses, and the skies. —*By Richard Corliss*

David Ryall in *Animal Farm*; Jeffrey Daniel in *Starlight Express*

Nicholas and singing monks in *Blondel*

Theater

With a Little Help from Our Friends

London's theaters offer quite a show for visiting Americans

A cut-rate sun has risen over what used to be called the British Empire. That at least is the view from the far side of the Atlantic, as the dollar registers historic highs against the pound. For 2.5 million American travelers a year, a vacation in England—with frequent visits to its hallowed tourist lure, the theater—never looked so good. Britons may complain that some musicals, like the American import *On Your Toes*, are charging record ticket prices (nearly $20), but these are still lower than the cheapest admissions to most Broadway shows, and not a few off-Broadway. The best seat in most West End houses costs from $13 to $16; the National Theater offers many seats for about $6.50; and at the "fringe" theaters one can see first-rate plays for a fire-sale $4.25.

Taking a hint from their Broadway brethren, London impresarios have stocked their theaters with musicals. There currently are 19 on display, ranging from ripe chestnuts like *The Boy Friend* and *West Side Story* to such instant-nostalgia items as *Peg* (a new show based on the 1912 J. Hartley Manners comedy) and *Singin' in the Rain* (with aging sprite Tommy Steele in the Gene Kelly role). The big noise, though, comes from two dueling musicals. Composer Andrew Lloyd Webber and Lyricist Tim Rice, once the Midas men of British songwriting with the shows *Jesus Christ Superstar*, *Joseph and the Amazing Technicolor Dreamcoat* and *Evita*, have separated and are parading their new collaborators before London playgoers.

Lloyd Webber's *Starlight Express*, a homage to trains, with lyrics by Richard Stilgoe, is (surprise!) the season's hottest ticket. It is also just about a total bust. For this multimedia combo of *Rollerball* and *The Little Engine That Could*, Designer John Napier has ramped and revamped the huge Apollo Victoria Theater, allowing the young cast room to roller-skate through three levels of the audience. But all the amplified sound and whirling energy cannot hide the show's vacuity. The story line is repetitive and inconsequential; Trevor Nunn's staging is an elephantine parody of his wondrous work on *Nicholas Nickleby* and Lloyd Webber's *Cats;* and the composer, who until now seemed an inexhaustible fountain of inventive melody, has devised a bluesy score that is sere and predictable. Lloyd Webber is no longer content simply to write musicals; now he must mount spectacles for theatergoers who will accept something big in place of something good. The performers, led by Stephanie Lawrence and a break-dancing blur named Jeffrey Daniel, are energetic troupers whose relentless high spirits serve to underline the inspiration, and ultimate destination, of *Starlight Express:* this is Vegas on ball bearings.

McKellen and Nicholas Jones, below; Harrison, Colbert

Rice, at least, is on track with his pretty, witty *Blondel* (rhymes with fondle), a fable constructed on the life of a minstrel (Paul Nicholas) in the court of King Richard I. With the twist of a political metaphor, the Lionheart turns into today's "Iron Lady" of 10 Downing Street. And in case there is any mistaking the satire, King Richard sings a brief ditty on the virtues of self-reliance whose 16 lines begin with the letters M-A-R-G-A-R-E-T T-H-A-T-C-H-E-R. But if the show has an angry bark, it is also frisky as a puppy. Nicholas and his co-stars (all veterans of the *Cats* cast) strut engagingly through the handsome sets. Stephen Oliver's score drapes cleverly oratorical orchestrations on his plain songs, and the whole thing moves with the brash dash of an undergraduate jape.

Two and a half years ago, the National Theater poached on Broadway turf with a vivid revival of *Guys and Dolls* that is still running in repertory. Less successful have been efforts by the company's director, Sir Peter Hall, to stage original, serious musical works. Last winter his collaboration with Composer Marvin Hamlisch on a dirge about Jean Seberg, in

which the actress was seriously compared with Joan of Arc, fizzled at the stake. Now Sir Peter has devised an adaptation of George Orwell's *Animal Farm*. As in *Jean Seberg*, masks abound, with the actors simulating Orwell's heroic horses, quisling chickens and Stalinist pigs (led by David Ryall as Squealer). It is all very faithful and, in a couple of songs by Adrian Mitchell and Richard Peaslee, tuneful. The mood on Sir Peter's green and peasant farm is not so much entertaining as edifying. Such, perhaps, is the attendant burden of running a national theater.

Most of the classical revivals at the National smell just as strongly of the lamp. Both Clifford Odets' *Golden Boy* and Thomas Otway's *Venice Preserv'd* lie open and inert on the stage, as if they were exams to be passed and not theatrical experiences to be shared. Only *Wild Honey*, Michael Frayn's free adaptation of a play Chekhov wrote when he was still a student, strikes vital sparks, and this because Frayn treats the text as an organism that can flower with care and pruning. At 21, Chekhov was already halfway toward being "Chekhovian"; he alternated comic and pathetic moods instead of blending the two into a sonorous melancholy for the class of landed Russians who would fall before the Revolution.

And so Frayn has broken the play in two. The first half is all cellos and sad small talk ("If you think this place is dull when you're here you should be here when you're *not* here"); the second half is flat-out farce with the tincture of domestic tragedy coloring the night sky. Ian McKellen is fine as Platonov, the country schoolmaster whose bitter gaiety attracts women to him like flies to wild honey. But the true star of Christopher Morahan's production—and, these days, of the entire National Theater—is Designer John Gunter. His garden and woodland sets provide the perfect trysting place for sobriety and anarchy, and the majestic train engine he sends chugging toward the audience at play's end is more effective than any of the loco motion in *Starlight Express*.

In Britain, revivals are not simply the province of the subsidized companies, the National and the Royal Shakespeare Company. At any moment in the commercial West End a durable star—Glenda Jackson, Albert Finney and Peter O'Toole already this summer—is likely to pop up for a month or two in a classic play. And now Rex Harrison is treading the Haymarket boards with filmdom's Claudette Colbert, still blowing strong at 80, in Frederick Lonsdale's 1923 drawing-room comedy *Aren't We All?* Though Colbert is onstage for less than half an hour, the audience devours her celebrity like After Eight mints. Another character tells her, "You become younger every day," and the stalls erupt in seconding applause. But her vehicle is a poor rickety thing with no mileage left. Colbert exaggerates every great-lady gesture, while Harrison wanders through the action trying to remember his lines, or why he is there. Honor the memory of these two gracious stars and catch a double bill of *The Palm Beach Story* and the 1948 *Unfaithfully Yours*.

A steady diet of revivals might convince the visitor that London is a museum, or mausoleum, of theater art. But right now a quartet of new plays demonstrates the range and intermittent vitality of British playwrights. As it happens, all four plays are about the inherent treachery of friendship. The setting is usually mundane—a middle-class kitchen, a tousled living room, a university dorm, a patio set for dinner—and the conversation is often muted and indirect, like snatches of chat overheard at the next restaurant table. The playgoer must listen between the lines, waiting patiently for simmering resentments to explode in unsuspecting faces.

Clockwise from top left: Hodge in *Benefactors*; *Progress*; *Common Pursuit*

In mundane settings, the inherent treachery of friendship.

Two of the playwrights, Simon Gray and Alan Ayckbourn, look to be marking time by rewriting earlier hits. Gray's *The Common Pursuit* is set in academe and publishing, his favorite haunts from *Butley*, *Otherwise Engaged* and *Dog Days*. He follows six friends from their Cambridge years through advancements, affairs, decay, betrayal, only occasionally taking his waspish wit for a walk (the nine members of an Arts Council are succinctly characterized as "three queers, three not, three nothing"). The exhaustively inventive Ayckbourn (*The Norman Conquests*, *Bedroom Farce*) has now devised a pyramid of farcical possibilities. *Intimate Exchanges* begins with one of two different scenes; each of those scenes offers two more variants; and so on, and so on, and so on. It makes for 31 scenes in 16 possible permutations—all on the author's familiar theme of suburban swinishness. This is a prodigious stunt of dramatic construction and performers' memory, but hardly worth 16 nights of anyone's time. Or one night.

For some traditional virtues of British theater—familiar characters, sardonic raillery, a fiercely political point of view—Doug Lucie's *Progress* fills the bill. Will (Gregory Floy), who makes television documentaries, and Ronee (Lindsay Duncan), who does social work, open their flat to counsel and console London's emotionally deprived. Not easy, since Ronee is having a lesbian affair, the upstairs tenant is a yellow journalist with a randy mouth, a battered young bride has come to share the living room, and the three members of Will's male sensitivity group have all fallen in lust with each other. "We don't have barneys here," Will observes evenly, "we have orgies of sociopolitical truth telling." A paradigm of mellow macho, Will must eventually be proved a woman-defiling rotter; when the priapic imperative rears in his head, the playwright must cut if off. But agitprop aside, *Progress* is two hours of mean-spirited fun. It augurs well for Lucie's future.

The spirits are subdued, ironic, regretful in Michael Frayn's lovely *Benefactors*. The plot is hardly the stuff of melodrama. A young architect (Oliver Cotton) receives a commission to build a London housing project; his wife (Patricia Hodge) is skeptical; their best friend (Tim Pigott-Smith) is bitterly opposed; his wife (Brenda Blethyn) goes to work for the architect. No one really is at fault here; as one character says, "Life goes round like a wheel . . . We don't change. We never escape." This is a story of the inevitability of compromise in friendship, careers, marriages, in youthful dreams of life's possibilities.

Frayn, who with *Wild Honey* and his clockwork farce *Noises Off* now has three London hits, is a master of deft construction, corkscrew insults, rising hostilities, crumbling egos. The cast, directed by Michael Blakemore, makes a faultless quartet. The best new play in London may look a bit precious to visiting Americans on the prowl for a big night out. It is not, but no matter. Who says the English can't go to their own theater? —*By Richard Corliss*

"Where's the Soaps?"

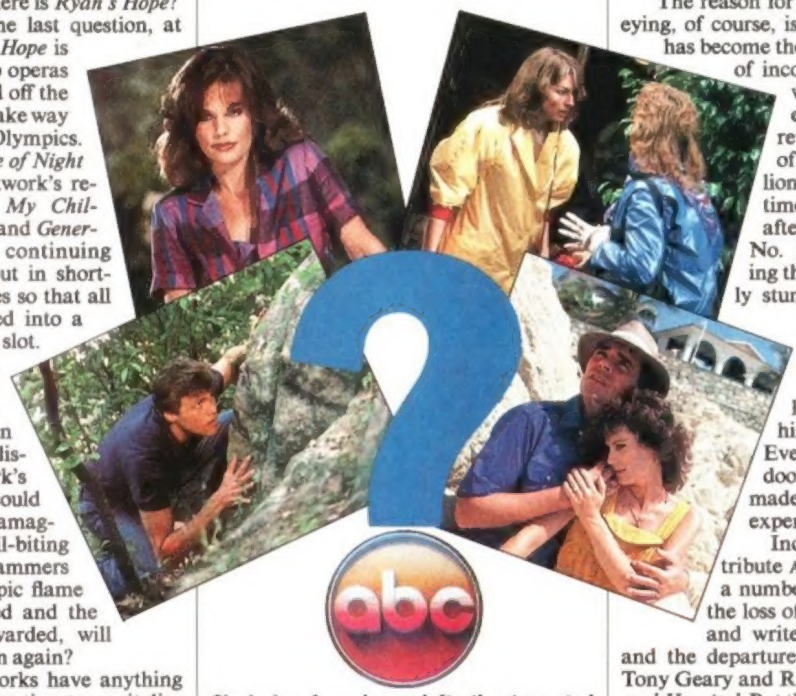
NBC and CBS try to woo daytime viewers during the Olympics

While many TV viewers have concerned themselves for these past two weeks with such transitory matters as whether Carl Lewis will set a new world record in the long jump or Mark Breland will take an Olympic gold in boxing, others have focused on questions of more fundamental import: Will Beth stay with Lujack or return to Phillip? Can Jenny recover from the explosion that nearly killed her? Will Julie and Tyler be able to adopt Scotty? And where is *Ryan's Hope*?

The answer to the last question, at least, is easy. *Ryan's Hope* is one of three ABC soap operas that have been booted off the air for two weeks to make way for coverage of the Olympics. (The others: *The Edge of Night* and *Loving*.) The network's remaining soaps—*All My Children, One Life to Live* and *General Hospital*—are continuing during the Games, but in shortened, 40-min. episodes so that all three can be squeezed into a special two-hour time slot. No matter how well ABC's Olympics coverage does in the ratings (which have been excellent so far), the disarray in the network's daytime schedule could have a lasting and damaging effect. The nail-biting question that programmers face: Once the Olympic flame has been extinguished and the last gold medals awarded, will ABC's soap fans tune in again?

Not if rival networks have anything to say about it. Attempting to capitalize on the Olympic disruption, NBC chose last week to introduce a lavishly produced new soap, *Santa Barbara*. The network built a $12 million state-of-the-art studio in Burbank, Calif. especially for the show, and early segments have featured an array of opulent sets alternating with outdoor locales. The cast, headed by Dame Judith Anderson, has been introduced in a series of action-packed plot lines designed to hook viewers. For starters, there is the return to town of Parolee Joe Perkins, accused of murdering a member of Santa Barbara's wealthy Capwell family five years earlier. Says Brian Frons, NBC's vice president of daytime programs: "This is a terrific opportunity for us, because we get to premiere a show when ABC's soaps are not in competition. Normally, a viewer has to be dissatisfied with her own soap opera for a good six months before she changes the channel and checks out what you're doing."

NBC has tried to add competitive luster to its other soap operas as well. *Days of Our Lives* is airing episodes taped at the World's Fair in New Orleans, and *Another World* has shot several segments on locations around New York City. The network has also increased on-air promotion. In one spot, Clara ("Where's the beef?") Peller demands, "Where's the soaps?" in a pointed reference to ABC's pre-emptions.



Clockwise from lower left: the truncated *All My Children, General Hospital* and *One Life to Live;* the pre-empted *Edge of Night*

CBS, meanwhile, corralled Jermaine Jackson for a two-day guest appearance last week on *As the World Turns*. The show's scripts were tied in with a contest in which the sponsor (Procter & Gamble) offered some lucky viewer a trip to the Emmy Awards in Los Angeles with a male star from the cast. CBS also introduced a new promotion campaign for its daytime schedule. "We expect and hope the audiences that have been watching ABC might, at some time during the two weeks, tire of watching sports events and sample us," says Laurence Caso, CBS East Coast director of daytime programs. "Then the hope is that they stick around."

ABC did what it could to offset its vulnerability. The network increased soap stars' visibility by featuring them in promotional spots for the Olympics. Tag line: "The '84 Summer Olympics on ABC, the greatest daytime drama of them all." Several ABC soaps, moreover, have resorted to cliffhangers in an effort to keep viewers from straying. *All My Children's* Jenny, the victim of last week's jet-ski explosion (caused by an ex-lover, who had intended it for her new boyfriend), will linger in a coma until the Olympics are safely finished. On the last episode of *The Edge of Night* before its Olympic hiatus, two characters were being pursued by a gang of bikers toward the edge of a cliff.

The reason for all this schedule jockeying, of course, is money. Daytime TV has become the most lucrative source of income for all three networks. ABC earns an estimated 25% of its revenues and fully 40% of its profits ($235 million last year) from daytime programming. Yet after six years as the No. 1–rated network during the day, ABC has recently stumbled. It was nudged out of first place by one-tenth of a rating point for the 1983-84 season by CBS, and has fallen farther behind in recent months. Even NBC, the perennial door mat in daytime, has made ratings gains at ABC's expense.

Industry executives attribute ABC's sudden fall-off to a number of factors, including the loss of several top producers and writers to other networks, and the departure of popular stars like Tony Geary and Rick Springfield of *General Hospital*. But the impact of the Olympics should not be underestimated. Starting in mid-1982, the network forced its soap producers to speed up their shooting schedules, stockpiling an extra show or two each month so that technicians could be freed up for the Olympics and political conventions this summer. As a result, says Vice President for Daytime Jacqueline Smith, the soaps had less leeway to make last-minute changes.

"It's driven us all crazy," says Smith. "Daytime must respond to the moment: 'Hey, this isn't working, let's shift it a little bit.' We have been unable to do that. We must never, ever let this happen again, because it really destroys the whole foundation upon which daytime programming is built: the living novel." Has ABC learned a lesson? Will the soap fans come back? For the answers, as always, tune in next week. —*By Richard Zoglin. Reported by Peter Ainslie/New York*

The surprising truth about who's the lowest.

NOW

THE LOWEST

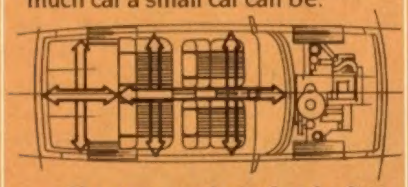
Warning: The Surgeon General Has Determined That Cigarette Smoking Is Dangerous to Your Health.

SOFT PACK 100s FILTER, MENTHOL: 2 mg. "tar", 0.2 mg. nicotine av. per cigarette, FTC Report FEB. '84.

Competitive tar level reflects the Feb. '84 FTC Report.

NOW. THE LOWEST OF ALL BRANDS.

Road & Track magazine periodically chooses the best cars in America. This year its editors applied their collective 123 years of automotive experience and named the Toyota Corolla as the "*Best Sedan Under* $7,000."* High praise indeed. But not surprising, since Toyota designed the 1984 Corollas to totally *redefine* how much car a small car can be.



The room and comfort for five inside the front-wheel drive Corollas is nothing short of amazing. Plus there's over 15% more room for luggage in the Sedans, while the versatile 5-Door Liftbacks let you carry five *or* fold down the split rear seatback for an incredible 26 cu. ft. of cargo room. But remarkable space efficiency isn't the only reason *Road & Track* voted Corolla "*Best.*"

The editors also found Corolla fun to drive, complimenting its standard 1.6-liter SOHC engine as "*peppy.*" They found Corolla fuel efficient, noting its optional "... *1.8-liter diesel engine that drinks fuel in tiny sips.*" 59 Estimated Highway, (43) EPA Estimated MPG for the Corolla Deluxe Diesel 5-Door Liftback.** They found Corolla durable, highlighting the fact that "... *Toyota's hard-earned reputation for building extraordinarily reliable cars should mean miles of trouble-free driving.*" And in conclusion, the editors of *Road & Track* succinctly summarized what Corolla owners already know — when it comes to an affordable family sedan, "...*there's none better than the Toyota Corolla.*"

59 (43)

OH WHAT A FEELING!
TOYOTA

* Manufacturer's suggested base retail price for Corolla Deluxe Sedan. Does not include tax, license, transportation or optional equipment. Dealer's actual retail price may vary.

** Remember: Compare this estimate to the "EPA Estimated MPG" of other diesel-powered cars with manual transmission. You may get different mileage depending on how fast you drive, weather conditions and trip length. Actual highway mileage will probably be less than the "Highway Estimate."

BUCKLE UP—IT'S A GOOD FEELING!

THE 1984 COROLLA.
"THE BEST SEDAN UNDER $7000."*
-ROAD & TRACK